



**TERMS AND CONDITIONS FOR  
PROVENTUS CAPITAL PARTNERS IV B  
PARTICIPATION LOAN**

**SERIES A1 DEBENTURES  
ISIN SE0011725589**

**SERIES A2 DEBENTURES  
ISIN SE0012194710**

**SERIES B DEBENTURES  
ISIN SE0011725597**

Originally dated 26 September 2018, and amended and restated on November 12, 2018,  
January 23, 2019, September 20, 2019, June 30, 2020 and March 23, 2021.

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

*Neither Proventus Capital Partners IV B nor the Debentures, nor the offer and sale thereof, have been or will be registered under the United States Securities Act of 1933, as amended, (the "Securities Act"), the United States Investment Company Act of 1940, as amended, (the "Investment Company Act") or the securities laws of any of the states of the United States. The offering of the Debentures is being made in reliance upon an exemption from the registration requirements of the Securities Act for offers and sales of securities which do not involve any public offering, and analogous exemptions under state securities laws. The delivery of these Terms and Conditions shall not constitute an offer to*

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*sell or the solicitation of an offer to buy, nor shall there be any sale of Debentures, in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it would be unlawful to make such offer, solicitation or sale. The Debentures are subject to certain restrictions on transferability and resale and may only be transferred or resold to the extent permitted under the Securities Act and applicable state securities laws and may not be sold or otherwise transferred except in accordance with these Terms and Conditions. Accordingly, the holders of such Debentures should be aware that they may be required to bear the risks of their respective investments in such Debentures for an indefinite period of time. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the disclosure, merits and risks involved.*

*The Debentures are not being offered to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the United Kingdom Financial Services and Markets Act 2000.*

#### **PRIVACY NOTICE**

*The Issuer and the Manager may collect and process personal data relating to the Debentureholders, the Debentureholders' representatives or agents, and other persons nominated to act on behalf of the Debentureholders pursuant to the Terms and Conditions and the Subscription Undertakings (name, contact details and, when relevant, holding of Debentures). The personal data relating to the Debentureholders is collected from the registry kept by the CSD or directly from such persons. The personal data relating to other persons is primarily collected directly from such persons.*

*The personal data collected will be processed by the Issuer and the Manager for the following purposes:*

- (a) fulfil their respective obligations under the Terms and Conditions and the Subscription Undertakings;*
- (b) to exercise their respective rights under the Subscription Undertakings;*
- (c) to manage the administration of the Debentures and payments under the Debentures;*
- (d) to enable the Debentureholders to exercise their rights under the Terms and Conditions and the Subscription Undertakings; and*
- (e) to comply with their obligations under applicable laws and regulations.*

*The processing of personal data by the Issuer and the Manager in relation to items (a)-(d) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Terms and Conditions and the Subscription Undertakings. In relation to item (e), the processing is based on the fact that such processing is necessary for compliance with a legal*

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*obligation incumbent on the Issuer or Manager. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.*

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

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

*The Issuer's and the Manager's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their website <http://www.proventus.se/capital-partners>.*

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# 1. DEFINITIONS AND INTERPRETATION

## 1.1 Definitions

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

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

“**Accumulated Hurdle Amount**” means, in respect of the Debentureholder Participation, an amount calculated in accordance with Clause 8.1.2(b).

“**Accumulated Net Ordinary Income**” means, in respect of the Debentureholder Participation, an amount calculated in accordance with Clause 8.1.2(c).

“**Advisers Act**” means the U.S. Investment Advisers Act of 1940.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer or a wholly-owned subsidiary to the Issuer, except for current and future investment programme entities controlled by the Parent, (ii) the chief executive officer of the Parent, any investment director or investment manager employed from time to time by the Parent and any member of the Board of Directors or the board of directors of the Parent or Proventus AB (each a “**Relevant Person**”), and (iii) any Swedish or foreign legal entity, which at any time is controlled, directly or indirectly, by a Relevant Person. For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**AIFM Act**” means the Alternative Investment Fund Managers Act (*lag (2013:561) om förvaltare av alternativa investeringsfonder*).

“**Approved Jurisdictions**” means Switzerland, the United States, the United Kingdom, each country which is a member of the European Union or the European Economic Area, and any other jurisdiction approved by the Joint Investors.

“**Available Participation**” means the amount of capital invested and/or committed to be invested in the Proventus Capital Partners IV B participation loan and the amount of capital invested and/or committed to be invested by the Parent as Parent Participation *less* any amounts repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*), equalling the sum of the Total Participation *plus* (i) the Debentureholder Commitment and (ii) the Parent Commitment.

“**Board of Directors**” means the board of directors of the Issuer, from time to time.

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

“**Capital Adjustment**” means, in respect of each Debenture, an amount calculated for the purpose of determining the Issue Price for Debentures to be issued after the First Closing Issue Date (other than on any Subsequent Closing Issue Date).

The Capital Adjustment (CA) shall be calculated in accordance with the following formula:

$$CA = \left( \frac{PV}{TCA} - 1 \right) \times RCA$$

PV = the Portfolio Value on the relevant date.

TCA = the total aggregate outstanding Capital Amount (on the relevant date).

RCA = the relevant Capital Amount for each Debenture of the relevant series for which the Capital Adjustment shall be calculated (on the relevant date).

When calculating the Capital Adjustment for each series of Debentures, the difference in Management Fee between the Series A Debentures and the Series B Debentures shall be reflected in accordance with the Valuation Policy.

“**Capital Amount**” means, in respect of each Debenture, the Initial Capital Amount for the Debenture *less* the aggregate amount, if any, by which the Debenture has been repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*), being the nominal amount for the Debenture from time to time registered with the CSD.

“**Carried Interest**” means, in respect of the Debentureholder Participation, an amount calculated for each Interest Period in accordance with Clause 8.1.3(b).

“**Carry-Back**” means, in respect of the Debentureholder Participation, an amount calculated for each Interest Period in accordance with Clause 8.1.3(b).

“**Companies Act**” means the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

“**Co-Investment**” means three parallel, but independent, investments in the form of loans made by the Issuer, PCP IV and PCP IV C to the same borrower(s), made on a bilateral basis by each of the Issuer, PCP IV and PCP IV C, documented either in a joint or separate credit agreement(s), or by investments in bonds or similar debt instruments, as set out in Clause 7.1 (*Structure*).

“**Co-Investment Matter**” means any matter relating to, or which may affect, a Co-Investment, and in respect of which each of the Issuer, PCP IV and PCP IV C, as a consequence of the investment structure set out in Clause 7.1 (*Structure*), has an interest, including but not limited to (i) the business of each of the Issuer, PCP IV and PCP IV C, (ii) the purpose, objective, restrictions, management and disposal of any Co-Investment, (iii) distribution of principal, proceeds and interest on any Co-Investment and (iv) any other matter set out in Clauses 17.5 and 17.6.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Debentures, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, with registered office at Box 191, SE-101 23 Stockholm, Sweden.

“**Debenture**” means a debt instrument representing a participation loan (*kapital- och vinstandelslån*) issued by the Issuer pursuant to Chapter 11, Section 11 of the Companies Act which is constituted by these Terms and Conditions. A Debenture is a Series A Debenture or a Series B Debenture, as the case may be.

“**Debentureholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Debenture. A Debentureholder is a Series A Debentureholder or a Series B Debentureholder, as the case may be.

“**Debentureholder Commitment**” means the total aggregate amount which has been committed to be used for subscription of Debentures covered by outstanding Subscription Undertakings from time to time.

“**Debentureholder Participation**” means the capital invested in the Proventus Capital Partners IV B participation loan by investors investing through Debentures for the purpose of Investments, equalling the sum of the total aggregate Issue Price paid for all Debentures *less* the aggregate amount, if any, by which the Debentures have been repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*).

The Debentureholder Participation consists of the sum of the Series A Debentureholder Participation and the Series B Debentureholder Participation.

“**Depository**” means, initially, Skandinaviska Enskilda Banken AB (publ), Swedish Reg. No. 502032-9081, acting as depository (*förvaringsinstitut*) for the Issuer pursuant to the AIFM Act, or any entity replacing it as depository in accordance with these Terms and Conditions.

“**Depository Agreement**” means the depository agreement entered into between the Issuer, the Manager and the Depository and dated 21 September 2018, or any agreement entered into by the Issuer in replacement of it, in each case as decided by the Issuer in accordance with these Terms and Conditions.

“**Derived Assets**” means shares, warrants, and other securities or assets obtained by the Issuer as a consequence of it making or holding an Investment, or in connection with a restructuring or composition in relation to an Investment in which the Issuer participates.

“**Direct Management Costs**” means costs relating to management and administration of the Portfolio and/or the Issuer that are not covered by the definition of Permitted Costs. Such costs may be allocated by the Issuer to the Series A Debentureholder Participation, the Series B Debentureholder Participation and the Parent Participation and, with regards to the Series A Debentureholder Participation and the Series B Debentureholder Participation, only up to the maximum amount that would otherwise (without such allocation) be payable as Management Fee for such Interest Period pursuant to the definition of Management Fee.

“**Ethical Policy**” means the Issuer’s ethical policy dated 26 September 2018, or any other policy amending or replacing it in accordance with these Terms and Conditions, with the consent of the Joint Investors.

“**EURIBOR**” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for a three month period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) as of or around 11.00 a.m. (Central European time) for the relevant date.

“**Euro**” and “**EUR**” means the lawful currency of the participating member states of the European Union adopted in accordance with the Treaty establishing the European Communities, as amended by the Treaty on the European Union.

“**Final Investment Date**” means the earlier of (i) provided that 85 per cent of the Total Initial Commitment has been invested (or been committed to be invested), the date when a new investment programme managed by the Manager makes its first Investment and (ii) the date falling five (5) years after the First Closing Issue Date or such earlier date as may follow from an application of Clauses 13.2 or 13.5.

“**Final Repayment Date**” means the tenth (10) anniversary of the First Closing Issue Date (being December 21, 2028) or such earlier date as may follow from an application of Clause 11.3 (*Changes to legislation*) or Clause 16 (*Acceleration of the Participation Loan*).

“**Financial Indebtedness**” means (i) moneys borrowed, (ii) any amount raised pursuant to the issue of any commercial papers, subordinated debentures, bonds, notes or other securities (including debt raised under MTN and other debt issuance programmes) which is or can be admitted for trading on a Swedish or foreign regulated market, (iii) finance or capital leases, (iv) receivables sold or discounted (other than on a non-recourse basis), (v) other transactions, including but not limited to futures, having the commercial effect of a borrowing, (vi) the marked to market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price, (vii) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution, and (viii) liabilities under guarantees or indemnities for any of the obligations referred to in items (i) to (vii) (without double counting). For the avoidance of doubt, “Financial Indebtedness” does not include: (i) the participation loan under these Terms and Conditions; or (ii) any financial indebtedness provided as Parent Participation.

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

“**First Closing Issue Date**” means the first date on which any Debentures are issued by the Issuer pursuant to these Terms and Conditions (being December 21, 2018).

“**Fixed Hurdle Rate**” means four point five (4.5) per cent *per annum*.

“**Floating Hurdle Rate**” means EURIBOR on the second (2) Business Day prior to each Interest Period *plus* two (2) per cent *per annum*.

“**GAAP**” means the generally accepted local accounting principles, standards and practices in Sweden, including IFRS (to the extent necessary for the purpose of listing the Series A1 Debentures and Series B Debentures as set out in Clause 15.6 (*Listing and authorisation*)).



“**Initial Capital Amount**” means the initial nominal amount for each series of Debentures, being the following:

- (a) each Series A1 Debenture shall have an initial nominal amount of EUR 100;
- (b) each Series A2 Debenture shall have an initial nominal amount of EUR 100; and
- (c) each Series B Debenture shall have an initial nominal amount of EUR 1,000.

“**Interest**” means, in respect of each Participation, an amount calculated for each Interest Period in accordance with Clause 8.1.3(a) or 8.1.4 as the case may be.

“**Interest Period**” has the meaning set forth in Clause 9 (*Interest Periods*).

“**Investments**” means the provision of, and/or investment in, loans, bonds, notes, debentures and any other form of debt and/or equity other than common stock, including owning assets for the purpose of providing financial leasing.

“**Issue Price**” means (i) in respect of the period prior to and on the First Closing Issue Date, the respective Initial Capital Amount, (ii) on any Subsequent Closing Issue Date, the respective Capital Amount and (iii) in respect of any time other than (i) and (ii), the Capital Amount increased by a positive Capital Adjustment or decreased by a negative Capital Adjustment, as the case may be.

“**Issuer**” means Proventus Capital Partners IV B AB (publ), Swedish Reg. No. 559116-2580, with registered office at Box 1719, SE-111 87 Stockholm, Sweden, fax No. +46 8 20 57 25 and e-mail [ds@proventuscapital.se](mailto:ds@proventuscapital.se).

“**Joint Available Participation**” means the sum of:

- (a) the Available Participation (i.e. the amount of capital invested and/or committed to be invested in the Proventus Capital Partners IV B participation loan and the amount of capital invested and/or committed to be invested by the Parent as Parent Participation) *less* any amounts repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*)),
- (b) 120 per cent of the PCP IV available participation (i.e. 120 per cent of the amount of capital invested and/or committed to be invested in the Proventus Capital Partners IV participation loan and the amount of capital invested and/or committed to be invested by the Parent as parent participation under the PCP IV Terms and Conditions) *less* any amounts repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*) in the PCP IV Terms and Conditions, and
- (c) the PCP IV C available participation (i.e. the amount of capital invested and/or committed to be invested through PCP IV C) *less* any amounts repaid in part pursuant to Clauses 8 and 9 in the PCP IV C Agreement.

“**Joint Debentureholders**” means the Debentureholders and the PCP IV debentureholders.

“**Joint Debentureholder Participation**” means the sum of the Debentureholder Participation and the PCP IV debentureholder participation (as adjusted pursuant to Clause 7.1.15).

“**Joint Investors**” means the Joint Debentureholders and Proventus AB (in its capacity as an investor in PCP IV C).

“**Joint Investors’ Meeting**” means a meeting among the Joint Investors held in accordance with Clause 18 (*Joint Investors’ Meeting*).

“**Joint Investor Participation**” means the sum of the Joint Debentureholder Participation and the Proventus AB participation.

“**Key Executives**” means each of Daniel Sachs and Anders Thelin or any substitute executive appointed in accordance with Clause 13.2.

“**Management Fee**” means a quarterly fee that the Manager is entitled to for the management of the Portfolio and the administration of the Issuer:

- (a) calculated in respect of the Series A Debentures as 0.60 per cent *per annum*,  
(i) from the First Closing Issue Date until the Final Investment Date, on the total aggregate amount which has been committed to be used for subscription of Series A Debentures covered by such Subscription Undertakings at the time they were entered into and (ii) after the Final Investment Date, on the Series A Debentureholder Participation; and
- (b) calculated in respect of the Series B Debentures as 0.40 per cent *per annum*,  
(i) from the First Closing Issue Date until the Final Investment Date, on the total aggregate amount which has been committed to be used for subscription of Series B Debentures covered by such Subscription Undertakings at the time they were entered into and (ii) after the Final Investment Date, on the Series B Debentureholder Participation,

in each case during the relevant Interest Period and *reduced by* an amount equal to any Direct Management Costs paid by the Issuer, as allocated to the Series A Debentureholder Participation or the Series B Debentureholder Participation.

“**Manager**” means Proventus Capital Management AB, Swedish Reg. No. 556930-7027, acting as external AIF manager (*extern AIF-förvaltare*) for the Issuer pursuant to the AIFM Act, or any entity replacing it as AIF manager in accordance with the AIFM Act.

“**Ordinary Income**” means the net return on the Portfolio being:

- (a) all cash amounts (other than Principal Proceeds) payable to the Issuer or any Affiliate (such Affiliate not being a Participating Party) in relation to, and during the term of, an Investment, including *inter alia* interest and commitment fees;
- (b) all cash amounts payable to the Issuer as a result of (i) holding a Derived Asset or (ii) a sale or other disposal of a Derived Asset;

- (c) all cash interest and other dividends payable to the Issuer in relation to (i) any unutilised part of the Total Participation, and (ii) any funds or assets which shall be, but have not yet been, repaid or otherwise distributed to the Debentureholders and/or the Parent;
- (d) all amounts payable to the Issuer under hedging transactions that are not received in connection with a repayment or divestment of an Investment;
- (e) all compensation amounts received by the Issuer under a Subscription Undertaking (including the premium over the Issue Price payable for each Debenture issued at a Subsequent Closing Issue Date, calculated in accordance with Clause 4.2.2(b), and compensation received through a repurchase and cancellation of Debentures), or from the Parent under the undertaking provided in accordance with Clause 4.3.1, when received in cash or converted into cash; and
- (f) any amount designated as Ordinary Income pursuant to Clause 10.1 or 10.2,

*less* (i) the Permitted Costs and (ii) any amount used to repay any Financial Indebtedness.

**“Outstanding Financing Deficit”** means, from time to time, the aggregate amount of Ordinary Income applied by the Manager to repay any Financial Indebtedness *less* the aggregate amount designated as Ordinary Income pursuant to Clause 10.1(a)(ii) or 10.2(a)(ii).

**“Parent”** means Proventus Capital Management AB, Swedish Reg. No. 556930-7027.

**“Parent Commitment”** means the amount of contributions that the Parent commits to provide to the Issuer in accordance with Clause 4.3 (*Parent Participation*) *less* any amount provided to the Issuer by the Parent in accordance with Clause 4.3 (*Parent Participation*) for the purpose of Investments in accordance with these Terms and Conditions.

**“Parent Participation”** means the amount denominated in Euro which is provided by the Parent to the Issuer in accordance with Clause 4.3 (*Parent Participation*) for the purpose of Investments in accordance with these Terms and Conditions, *less* any amount thereof which has been repaid to the Parent pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*).

**“Parent Pro Rata Contribution”** means the quota share used to determine the size of the Parent’s capital contributions for Investments, from time to time, in relation to the Debentureholders’ equivalent contributions, calculated as the sum of the Parent Commitment and the Parent Participation *divided by* the sum of the Debentureholder Commitment and the Debentureholder Participation.

**“Participating Party”** means any party, other than Proventus AB, which pursuant to the PCP IV C Agreement has committed to make capital contributions for Co-Investments through PCP IV C and which when it committed to make such capital contributions held a position (or was owned or controlled by a person holding such position) that from a taxation perspective would make it detrimental to the Proventus

Capital Partners IV B participation loan structure if it was to invest by way of Debentures, due to the fact that it at such time was an Affiliate.

“**Participation**” means any sort of participation in the Proventus Capital Partners IV B participation loan, being each of the Series A Debentureholder Participation, the Series B Debentureholder Participation, and the Parent Participation, but, for the avoidance of doubt, not including the Proventus AB participation and the participations made by the Participating Parties in PCP IV C.

“**Participation Loan Amount**” means the outstanding principal amount of a Debenture from time to time, which reflects the principal of the participation loan owed by the Issuer to a Debentureholder in relation to each Debenture, which equals: (i) the Capital Amount for such Debenture *divided* by the Total Participation, (ii) then *multiplied* by the Portfolio Value or, if lower, the Total Participation.

“**PCP IV**” means the existing investment programme in Proventus Capital Partners IV AB (publ), Swedish Reg. No. 556981-8619, with registered office at Box 1719, SE-111 87 Stockholm, Sweden, fax No. +46 8 20 57 25 and e-mail [ds@proventuscapital.se](mailto:ds@proventuscapital.se), which is managed by the Manager.

“**PCP IV C**” means the existing investment programme in (i) initially Proventus Capital Partners IV C KB, Swedish Reg. No. 969786-0121, a limited partnership (*kommanditbolag*) in which the Parent is general partner and Proventus AB and the Participating Parties are limited partners, and which is managed by the Manager, and (ii) after the restructuring of PCP IV C effective on or around July 1, 2020, Proventus Capital Partners IV C AB, Swedish Reg. No. 559183-9096, a limited liability company (*aktiebolag*) in which the Parent, Proventus AB and the Participating Parties are shareholders, and which is managed by the Manager.

“**PCP IV C Agreement**” means (i) initially the limited partnership agreement pursuant to which PCP IV C is established, dated 26 September 2018, and (ii) after the restructuring of PCP IV C effective on or around July 1, 2020, the shareholders agreement regarding PCP IV C, entered into between the Parent, Proventus AB and the Participating Parties and dated June 24, 2020.

“**PCP IV Terms and Conditions**” means the terms and conditions for the PCP IV participation loan, dated 26 September 2018. Unless otherwise agreed in accordance with these Terms and Conditions, the PCP IV Terms and Conditions shall be substantively identical to these Terms and Conditions, other than with respect to (i) the Fixed Hurdle Rate, (ii) the objective net annual return on the Portfolio, (iii) Clauses 15.3 (*Financial Indebtedness*), 7.1.15 and 7.1.16, and (iv) the number of series of Debentures.

“**Period Hurdle Amount**” means, in respect of the Debentureholder Participation, an amount calculated for each Interest Period in accordance with Clause 8.1.2(a).

“**Period Net Ordinary Income**” means, in respect of each Participation, an amount calculated for each Interest Period in accordance with Clause 8.1.1.

“**Permitted Costs**” means the following costs, fees and expenses incurred by the Issuer:

- (a) set-up costs for establishing the Issuer and PCP IV, up to a maximum aggregate amount of EUR 1,500,000, allocated *pro rata* to their respective share of the sum of the Joint Available Participation;
- (b) legal, audit, custodial, consulting, valuation and other professional fees relating to the Issuer (including costs in connection with, and for the purpose of maintaining, the listing of the Series A1 Debentures and the Series B Debentures in accordance with Clause 15.7 (*Listing*));
- (c) compliance, regulatory and statutory reporting costs incurred by the Issuer pursuant to the AIFM Act or other applicable regulations;
- (d) costs, including but not limited to, bank fees and interest payments, relating to any Financial Indebtedness incurred by the Issuer for the purpose of making Investments;
- (e) costs relating to Affiliates through which indirect Investments have been made under Clause 7.5 (*Indirect Investments*);
- (f) costs relating to hedging transactions entered into by the Issuer;
- (g) transfer, capital and other taxes and duties (excluding tax related to the Management Fee and tax on the Issuer’ income) imposed on the Issuer; and
- (h) costs incurred for the purpose of enforcing any Subscription Undertaking, or the undertaking provided by the Parent in accordance with Clause 4.3.1
- (i) consulting, valuation and other professional fees incurred by the Issuer in relation to any Co-Investment and any other costs reasonably and properly incurred by the Issuer in acquiring, holding, selling or otherwise disposing the Investments (including syndication, banking, brokerage, broken-deal, registration, finders’, depository and similar fees or commissions), allocated *pro rata* to its share of the sum of the Joint Available Participation.

Items (a) to (i) may not include any costs (i) related to Environmental, Social and Governance (ESG) activities and issues, (ii) which are payable to Proventus AB, the Parent, any Affiliate, PCP IV and PCP IV C (except, for the avoidance of doubt, the reimbursement of any costs initially paid by such entity, but which shall ultimately be borne by the Issuer) or (iii) which are payable pursuant to Clause 17.16, and items (b) to (i) may not, during a calendar year, include any costs which exceed 25 per cent of the sum of the Management Fees and Direct Management Costs for such calendar year, provided, however, that when making such calculation, extraordinary costs (such as costs connected to making new Investments or any restructuring or composition in relation to existing Investment) shall be excluded. For the avoidance of doubt, costs, fees and expenses incurred by the Issuer not constituting Permitted Costs or Direct Management Costs may in no event be paid out of the Portfolio, Principal Proceeds or Ordinary Income.

“**Portfolio**” means (i) the Investments and any Derived Assets, (ii) any unutilised part of the Total Participation, (iii) any funds or assets which shall be, but have not

yet been, repaid or otherwise distributed to the Debentureholders and/or the Parent pursuant to these Terms and Conditions (including, for the avoidance of doubt, Interest and repayments of the Participation Loan Amount as set out in Clause 5.2), (iv) any Financial Indebtedness incurred by the Issuer for the purpose of making Investments, which has not yet been utilised, and (v) in-the-money hedging transactions, *less* (vi) any Financial Indebtedness incurred by the Issuer for the purpose of making Investments.

“**Portfolio Value**” means the market value of the Portfolio from time to time, determined in accordance with the Valuation Policy.

“**Previous Carried Interest**” means the Carried Interest that has been allocated by the Issuer on the Debentureholder Participation for previous Interest Periods.

“**Previous Interest**” means the interest that has been paid by the Issuer on the Debentureholder Participation for previous Interest Periods.

“**Principal Proceeds**” means any principal received by, or repaid or refunded to, the Issuer or an Affiliate relating to an Investment (by way of a divestment, payment in-kind, amortisation, conversion, acceleration or otherwise), including any amount received by the Issuer under hedging transactions in connection with a repayment or divestment of an Investment.

“**Proventus AB**” means Proventus AB, Swedish Reg. No. 556042-3443.

“**Proventus AB Commitment**” means the amount of funding that Proventus AB commits to provide in accordance with the PCP IV C Agreement *less* any amount provided by Proventus AB in accordance with the PCP IV C Agreement for the purpose of Co-Investments in accordance with these Terms and Conditions and the PCP IV Terms and Conditions.

“**Proventus AB Guarantee**” has the meaning set forth in Clause 15.12.1.

“**Record Date**” has the meaning set forth in Clause 12.1.1.

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

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

“**Series A Debentureholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Series A Debenture. A Series A Debentureholder is a Series A1 Debentureholder or a Series A2 Debentureholder, as the case may be.

“**Series A Debentureholder Participation**” means the sum of the total aggregate Issue Price paid for all Series A Debentures *less* the aggregate amount, if any, by which the Series A Debentures have been repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*).

“**Series A Debentures**” means the Series A1 Debentures and the Series A2 Debentures.

“**Series A1 Debentureholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Series A1 Debenture.

“**Series A1 Debentures**” means the Debentures designated as “Series A1”, with ISIN SE0011725589.

“**Series A2 Debentureholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Series A2 Debenture.

“**Series A2 Debentures**” means the Debentures designated as “Series A2”, with ISIN SE0012194710.

“**Series B Debentureholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Series B Debenture.

“**Series B Debentureholder Participation**” means the sum of the total aggregate Issue Price paid for all Series B Debentures *less* the aggregate amount, if any, by which the Series B Debentures have been repaid in part pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*).

“**Series B Debentures**” means the Debentures designated as “Series B”, with ISIN SE0011725597.

“**Subscription Undertaking**” means an undertaking by a person to subscribe for Debentures, made on the terms set out in Clause 4.1.2.

“**Subsequent Closing Investor**” means an investor subscribing for Debentures on a Subsequent Closing Issue Date.

“**Subsequent Closing Issue Date**” means any date falling in the period from but excluding the First Closing Issue Date up to and including the date falling twelve (12) months after the First Closing Issue Date on which the Issuer invites other investors than on the First Closing Issue Date to subscribe for Debentures.

“**Total Initial Commitment**” means the sum of (i) the total aggregate amount which has been committed to be used for subscription of Debentures covered by all Subscription Undertakings at the time they were entered into and (ii) the amount of contributions that the Parent commits to provide in accordance with Clause 4.3 (*Parent Participation*) at the time such commitment was made.

“**Total Participation**” means the sum of the Participations, being the Series A Debentureholder Participation, the Series B Debentureholder Participation and the Parent Participation.

“**Transferred Investment Amount**” has the meaning set forth in Clause 7.1.3.

“**Valuation Policy**” means the Issuer’s policy for valuing the Portfolio dated 26 September 2018, or any other policy amending or replacing it in accordance with these Terms and Conditions, with the consent of the Joint Debentureholders pursuant to Clause 17.5(f).

“**Written Procedure**” means the written or electronic procedure for decision making among the Joint Investors in accordance with Clause 19 (*Written Procedure*).

## 1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (a) “**assets**” includes present and future properties, revenues and rights of every description;
  - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (d) a provision of law is a reference to that provision as amended or re-enacted;
  - (e) a time of day is a reference to Stockholm time unless otherwise indicated or the context otherwise requires; and
  - (f) the purchase price or original investment amount for an Investment shall mean the Issuer’s share of such investment.
- 1.2.2 No delay or omission of any Debentureholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.
- 1.2.3 If a Debentureholder is registered on a Securities Account as a nominee (*förvaltare*) with respect to a Debenture, any reference to such Debentureholder as a party to a Subscription Undertaking shall be construed as a reference to the beneficial owner for whom such Debentureholder is acting as a nominee.

## 2. STATUS OF THE ISSUER

The Issuer is an alternative investment fund and as such subject to the AIFM Act. The Manager operates as external AIF manager (*extern AIF-förvaltare*) for the Issuer and the Depositary operates as depositary (*förvaringsinstitut*) for the Issuer. Investments in the fund so created are made through Debentures issued by the Issuer pursuant to these Terms and Conditions.



### **3. STATUS OF THE DEBENTURES AND UNDERTAKING TO MAKE PAYMENT**

- 3.1** Each Debenture is constituted by these Terms and Conditions.
- 3.2** The Debentures constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them. The payment obligations of the Issuer under the Debentures shall, subject to the provisions of applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
- 3.3** As set out in Clause 15.3 (*Financial Indebtedness*), the Issuer may not issue any other debentures than the Debentures or take any part, directly or indirectly, in any other business than as comprised by these Terms and Conditions.
- 3.4** The Issuer undertakes to repay the Participation Loan Amount, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions. However, the Issuer's obligation to repay the Participation Loan Amount is dependent on the value of the Portfolio from time to time. A Debentureholder is not guaranteed to receive an amount corresponding to the Issue Price of its Debentures.
- 3.5** By subscribing for Debentures, each initial Debentureholder agrees that the Debentures shall benefit from and be subject to these Terms and Conditions and by acquiring Debentures, each subsequent Debentureholder confirms such agreement.
- 3.6** The Debentures are freely transferable but (i) the Debentureholders may be subject to purchase or transfer restrictions with regard to the Debentures, as applicable, under local laws to which a Debentureholder may be subject and (ii) no transfers of Debentures may be made if, in the Issuer's reasonable opinion (which in such case shall promptly be notified to the relevant Debentureholder), the Issuer or the Parent would be required to, as a result of such transfer: (a) register as an investment company under the Investment Company Act; (b) register as an investment adviser under the Advisers Act; (c) rely on the exemption provided under Section 203(m)-1 of the Advisers Act and become subject to the reporting and record-keeping obligations promulgated thereunder; or (d) register the Debentures under the Securities Act and become subject to the reporting obligations promulgated thereunder. Each Debentureholder must ensure compliance with such restrictions at its own cost and expense. Notwithstanding the above, the Series A2 Debentures may not be listed by the Issuer on any regulated market.
- 3.7** At the request of (i) a Series A1 Debentureholder, Series A1 Debentures (one or more) belonging to the relevant Series A1 Debentureholder shall be converted to Series A2 Debentures, and (ii) a Series A2 Debentureholder, Series A2 Debentures (one or more) belonging to the relevant Series A2 Debentureholder shall be converted to Series A1 Debentures. A request for conversion shall be made in writing to the Issuer and specify the number of Series A1 Debentures or Series A2 Debentures, as the case may be, to be converted. The Issuer shall, as soon as reasonably possible following the request by the relevant Debentureholder, report the conversion to the CSD for registration.

- 3.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Debentures or the possession, circulation or distribution of any document or other material relating to the Issuer or the Debentures in any jurisdiction other than Sweden, where action for that purpose is required. Each Debentureholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Debentures.

## 4. PARTICIPATION

### 4.1 Debentureholder Participation – General

- 4.1.1 The participation loans provided by the Debentureholders will be represented by three (3) series of Debentures, each with its specified Initial Capital Amount.
- 4.1.2 The Issuer shall procure that all persons to which Debentures are issued on the First Closing Issue Date or a Subsequent Closing Issue Date, respectively, on or before such date, make corresponding undertakings to subsequently subscribe for new Debentures of the same series at the request of the Issuer, in each case at the relevant Issue Price and *pro rata* in accordance with their initial investment amount and, unless decided otherwise by the Issuer in its sole discretion, at a minimum investment amount of EUR 100,000 per issue. In respect of Subscription Undertakings made by Subsequent Closing Investors, the undertakings shall be adjusted to reflect Debentures issued on or after the First Closing Issue Date but before the relevant Subsequent Closing Issue Date.
- 4.1.3 The Issuer may carry out subsequent issues of Debentures other than on the First Closing Issue Date and any Subsequent Closing Issue Date(s), provided that the subsequent Debentures are issued to existing Debentureholders *pro rata* in accordance with their Subscription Undertakings. If an issue of Debentures pursuant to this Clause 4.1.3 takes place on a Subsequent Closing Issue Date it shall be treated as a separate issue occurring on the same day but immediately after the issue pursuant to Clause 4.2.2.
- 4.1.4 All Debentures will be issued on a fully paid basis and all Debentures will be issued at their Issue Price. The Issuer shall keep the existing Debentureholders fully informed in writing of all relevant details relating to any subsequent issue of Debentures.
- 4.1.5 The Issuer may not carry out any issue of Debentures for which the aggregate Issue Price does not equal at least EUR 100,000.
- 4.1.6 Any excess of the investment amount that may remain after an issue due to that only whole (as opposed to fractional) Debentures may be issued shall be accumulated and repaid by the Issuer to the relevant Debentureholder each year. For the avoidance of doubt, such excess amount shall not constitute part of the Portfolio.
- 4.1.7 Each subsequent Debenture issued in accordance with Clauses 4.1.3 or 4.2.2 shall entitle its respective holder to Interest only from the end of the previous Interest Period (regardless of whether Interest has yet been paid out for such previous Interest Period at such issue date), but shall otherwise have the same rights as the other Debentures.

## **4.2 Subsequent issue of Debentures to Subsequent Closing Investors**

- 4.2.1 The Issuer may on one or several separate Subsequent Closing Issue Date(s) invite Subsequent Closing Investors to subscribe for Debentures.
- 4.2.2 The Issuer may on each Subsequent Closing Issue Date issue Debentures to the Subsequent Closing Investors, provided that:
- (a) each Subsequent Closing Investor has made a Subscription Undertaking as set forth in Clause 4.1.2; and
  - (b) each Debenture is issued on a fully paid basis and at its Capital Amount *plus* an interest element calculated by applying a fixed interest rate of five (5) per cent *per annum* to the Initial Capital Amount for the period between the First Closing Issue Date and the relevant Subsequent Closing Issue Date.
- 4.2.3 If any Management Fee has been paid prior to the relevant Subsequent Closing Issue Date, the amount of the Management Fee for the Interest Period during which such Subsequent Closing Issue Date occurred shall be increased by an amount equal to the amount of total Management Fee that would have been payable if the relevant Subsequent Closing Investors had subscribed for Debentures on the First Closing Issue Date *less* the amount of the previously paid Management Fee.

## **4.3 Parent Participation**

- 4.3.1 The Parent shall make available funds for Co-Investments pursuant to these Terms and Conditions and the PCP IV Terms and Conditions, as applicable. The Parent shall, no later than on the First Closing Issue Date, deliver an undertaking to the Issuer and PCP IV jointly setting out the amount that the Parent commits to contribute. Following the First Closing Issue Date the Parent shall not be entitled to increase its commitment. The aggregate amount of such commitments, together with the commitments from the Participating Parties to provide funds to PCP IV C under the PCP IV C Agreement, shall not be less than EUR 12,000,000, and shall be invested *pro rata* in the Issuer and PCP IV, to their share of the sum of the Debentureholder Commitment and the PCP IV debentureholder commitment.
- 4.3.2 The contributions provided by the Parent shall be made available by the Parent simultaneously as Debentures are issued to the Debentureholders, initially and in accordance with the Subscription Undertakings. The amount of each such contribution by the Parent shall be equal to the Parent Pro Rata Contribution of the aggregate Issue Price paid to the Issuer by the Debentureholders in connection with each issuance of Debentures, initially and in accordance with the Subscription Undertakings.
- 4.3.3 The funds provided by the Parent shall be made available to the Issuer by way of equity, capital contributions or subordinated loans.

## **4.4 Proventus AB participation and participation by the Participating Parties**

- 4.4.1 Proventus AB and the Participating Parties shall make available funds for Co-Investments pursuant to the PCP IV C Agreement. The total amount of funding that Proventus AB and the Participating Parties commit to make available is set out in the

PCP IV C Agreement. The Proventus AB Commitment shall not be less than EUR 30,000,000.

- 4.4.2 The funds provided by Proventus AB and the Participating Parties shall be made available for Co-Investments through PCP IV C, in which such parties shall be shareholders.

#### **4.5 Maximum Participation Amounts**

The sum of the Joint Debentureholder Participation shall not at any time exceed EUR 2,000,000,000 and the sum of all Participations, all PCP IV B participations and the PCP IV C participations shall not at any time exceed EUR 2,100,000,000.

### **5. DEBENTURES IN BOOK-ENTRY FORM**

- 5.1 The Debentures shall be denominated in Euro and will be registered for the Debentureholders on their respective Securities Accounts and no physical Debentures will be issued. Accordingly, the Debentures will be registered in accordance with the Financial Instruments Accounts Act and, subject to Clause 5.2, the Issuer shall procure that such registration is made on the relevant issue date. Registration requests relating to the Debentures shall be directed to an Account Operator.
- 5.2 If the date for an issue of Debenture falls in the period between the last day of an Interest Period and the due date for payment of the Participation Loan Amount and Interest (if any) for such Interest Period, the Issuer shall procure that the Debentures issued on such date are registered in accordance with the Financial Instruments Accounts Act (and, consequently, on the relevant Securities Account (as applicable)) as soon as possible following such due date. For the avoidance of doubt, such Debentures shall nonetheless be deemed to have been issued on the date of the issue and not the registration.
- 5.3 The nominal amount for each Debenture from time to time registered with the CSD will be the Initial Capital Amount reduced by the partial repayment made on each Debenture issued under the relevant series pursuant to Clauses 10.1(c), 10.2(b) and 11.1 (*Final Investment Date*).
- 5.4 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Debenture shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.5 The Issuer shall be entitled to obtain information from the register kept by the CSD in respect of the Debentures and all PCP IV debentures (*skuldbok*). At the request of a Debentureholder or a PCP IV debentureholder, the Issuer shall request and provide such information to that debentureholder.

## 6. RIGHT TO ACT ON BEHALF OF A DEBENTUREHOLDER

- 6.1 If any person other than a Debentureholder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other proof of authorisation from the Debentureholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Debentureholder and authorising such person.
- 6.2 A Debentureholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Debentures held by it. Any such representative may act independently under the Terms and Conditions in relation to the Debentures for which such representative is entitled to represent the Debentureholder and may further delegate its right to represent the Debentureholder by way of a further power of attorney.

## 7. INVESTMENTS

### 7.1 Structure

- 7.1.1 The Issuer will make all Investments as Co-Investments and may not make any Investment which is not a Co-Investment. For each Co-Investment, the Manager shall ensure that the Issuer, PCP IV and PCP IV C each make available an amount to be invested *pro rata* based on their share of the Joint Available Participation (from time to time as such shares may vary during the period from the First Closing Issue Date until the last Subsequent Closing Issue Date since additional capital commitments may be accepted for each fund vehicle during such period). Should any investor (other than in respect of the Parent Commitment) fail to make available its applicable amount as requested by the Manager, the Manager shall compensate such shortfall with additional *pro rata* amounts from the investors in the same fund vehicle as the failing investor or if that is not possible, in whole or in part, compensate the shortfall with *pro rata* amounts from the investors in the two other fund vehicles, on terms and in a manner taking into account the interest of all investors.
- 7.1.2 Since each of the Issuer, PCP IV and PCP IV C may independently increase in size during the period from the First Closing Issue Date until the last Subsequent Closing Issue Date (since additional capital commitments may be accepted for each fund vehicle during such period) the *pro rata* quotas between the fund vehicles may vary during such period, and accordingly, as a consequence of the drawdown mechanism pursuant to Clause 7.1.1, each fund vehicles' part of each Co-Investment made under this period may vary consequently. Therefore, on the Business Day falling immediately after the last Subsequent Closing Issue Date, the Issuer will sell to PCP IV and/or PCP IV C (as the case may be) so much of its part of each Co-Investment or purchase from PCP IV and/or PCP IV C (as the case may be) so much of their parts of each Co-Investment as necessary in order for its parts of each Co-Investment to correspond to its *pro rata* share of the Joint Available Participation on the date of the sale.
- 7.1.3 The Manager shall for each sale pursuant to Clause 7.1.2 calculate the “**Transferred Investment Amount**”, which shall be the original amount invested in the relevant

Co-Investment by the selling fund vehicle, multiplied with the quota share of the part of the Co-Investment which is being sold. The purchase price for any such sale shall be the Transferred Investment Amount, less any interest and repayments of principal received in relation to the Transferred Investment Amount by the selling fund vehicle, plus an interest element calculated by applying a fixed interest rate of five (5) per cent *per annum* to the Transferred Investment Amount for the period between the First Closing Issue Date and date of the sale. The Transferred Investment Amount (including repayments of principal received before the date of the sale) shall constitute Principal Proceeds for the selling fund vehicle. The Transferred Investment Amount, reduced by repayments of principal before the date of the sale, shall constitute the original investment amount for the purchasing fund vehicle. An amount equal to the interest received by the selling fund vehicle in relation to the Transferred Investment Amount before the date of the sale shall be deemed to be Ordinary Income for the purchasing fund vehicle. The interest element shall constitute Ordinary Income for the selling fund vehicle and a Permitted Cost for the purchasing fund vehicle.

- 7.1.4 As a general principle, the Manager shall, in a balanced way, procure that the Issuer's interests in each Co-Investment are duly preserved in relation to PCP IV and PCP IV C and the Manager shall ensure that any action taken in relation to a Co-Investment is taken simultaneously on behalf of each of the Issuer, PCP IV or PCP IV C.
- 7.1.5 The Manager shall promptly provide the Joint Investors with adequate disclosure with respect to all conflict of interest situations where the interests of the Issuer may be in conflict with the interests of either of PCP IV and PCP IV C.
- 7.1.6 Each of the Issuer, PCP IV and PCP IV C shall in respect of each Co-Investment have an independent right and shall be free to act independently in relation to its part of the relevant Co-Investment. No documentation evidencing a Co-Investment may include any "majority lenders rules" as between the Issuer, PCP IV and PCP IV C, preventing any of them to act in relation to its part of the relevant Co-Investment without the consent of either of the other two fund vehicles. However, for the avoidance of doubt, the aforementioned shall not prevent the Issuer, PCP IV B and PCP IV C to make Co-Investments in syndications with other lenders, which include "majority lenders rules" in relation to the participating lenders other than the Issuer, PCP IV and PCP IV C.
- 7.1.7 Notwithstanding Clause 7.1.6, decisions on a matter relating to these Terms and Conditions or the PCP IV Terms and Conditions shall always be made by the Joint Debentureholders as set out in Clause 17 (*Decisions by Joint Investors*), and if any such a matter is a Co-Investment Matter, the decision shall be made by the Joint Investors as set out in Clause 17 (*Decisions by Joint Investors*).
- 7.1.8 The Investment made by the Issuer shall in relation to the Co-Investment in all aspects always rank *pari passu* with the parallel investments made by PCP IV and PCP IV C, including with respect to (i) any Security granted to the Issuer, PCP IV and/or PCP IV C and (ii) distribution of assets or funds to the Issuer, PCP IV and/or PCP IV C in relation to any acceleration event.
- 7.1.9 Each of the Issuer, PCP IV and PCP IV C shall be entitled to receive from the amounts payable by the borrower(s) under each Co-Investment a portion based on its part of the relevant Co-Investment, whether the amounts payable be repayment of

principal, accrued interest, break funding compensation, “make-whole payments” or other monies. Any monies received by the Issuer, PCP IV and PCP IV C following the enforcement of any collateral provided to the Issuer, PCP IV and PCP IV C as Security for the obligations of the borrower(s) under the relevant Co-Investment shall be applied in accordance with the principle set out in the first sentence of this Clause 7.1.9.

- 7.1.10 Upon the occurrence of an event of default (howsoever described) under a Co-Investment, giving each of the Issuer, PCP IV and PCP IV C the right to accelerate the loan(s) thereunder, and for as long as such event of default is continuing, each of the Issuer, PCP IV and PCP IV C shall have an independent right to at any time request that repayment of the principal amount owing to it in respect of its part of the relevant Co-Investment is accelerated, in each case as decided by the Manager, pursuant to Clause 7.1.4.
- 7.1.11 To the extent permitted under their respective terms and conditions and the PCP IV C Agreement, as applicable, each of the Issuer, PCP IV and PCP IV C may provide Security over its part of a Co-Investment. However, the provisions in this Clause 7.1.11 shall not limit the right of any third party having Security over a part of a Co-Investment to exercise its rights under such Security. For the avoidance of doubt, each of the Issuer, PCP IV and PCP IV C can, and may, only provide Security over its own part of a Co-Investment and, thus, cannot, and may not, provide Security over any part of a Co-Investment owned by either of the two other fund vehicles.
- 7.1.12 Costs related to Co-Investments shall be shared *pro rata* to the Issuer’s, PCP IV’s and PCP IV C’s respective part of the Co-Investment.
- 7.1.13 The principles set out in this Clause 7.1 have been reflected in a co-investment agreement entered into among the Issuer, PCP IV, PCP IV C and the Manager. Such co-investment agreement may not be amended or terminated without the consent of the Joint Investors.
- 7.1.14 As a consequence of the investment structure set out in this Clause 7.1, the PCP IV debentureholders have pursuant to these Terms and Conditions certain information rights and voting rights in relation to the Issuer. The Debentureholders will pursuant to the PCP IV Term and Conditions have the equivalent rights in relation to PCP IV. In addition, Proventus AB (in its capacity as an investor in PCP IV C) has pursuant to these Terms and Conditions and the PCP IV Terms and Conditions voting rights on Co-Investment Matters as set out in Clause 17 (*Decisions by Joint Investors*), and no Co-Investment Matters may be decided pursuant to the PCP IV C Agreement, except as set out in these Terms and Conditions.
- 7.1.15 If any Security over PCP IV’s part of a Co-Investment provided by PCP IV is enforced, (i) Clauses 7.1.4, 7.1.7 and 7.1.12 shall no longer apply for the relevant Co-Investment and (ii) the PCP IV participation shall when calculating the Joint Debentureholder Participation for purposes of determining the relative voting rights on matters relating to these Terms and Conditions be reduced with an amount equal to the amount originally invested by PCP IV in the part of the Co-Investment over which the Security has been enforced *minus* any repayments of principal received by PCP IV thereunder prior to the enforcement.
- 7.1.16 If PCP IV is declared bankrupt, (i) Clauses 7.1.4, 7.1.7, 7.1.12 and 17.1 shall cease to apply in so far as they relate to PCP IV or its debentureholders and (ii) all

information rights and voting rights that PCP IV or its debentureholders have under these Terms and Conditions shall cease to apply.

## **7.2 Purpose**

- 7.2.1 The Issuer shall utilise the Total Participation to make Investments, which originate from companies and financial institutions incorporated in Approved Jurisdictions.
- 7.2.2 The Issuer may make Investments by way of purchasing assets to be utilised for financial leasing, provided, however, that the aggregate amount of each such Investment and previously made financial leasing Investments may not exceed 25 per cent of the Total Initial Commitment at the date of the relevant Investment.
- 7.2.3 Notwithstanding Clause 7.2.1, the Issuer may, at its discretion, make Investments in other countries, provided that the aggregate amount of all Investments made in other countries does not exceed ten (10) per cent of the Total Initial Commitment. The Issuer shall ensure that Investments for a value of at least equal to 90 per cent of the total value of the Investments from time to time are denominated in Euro or in currencies that can be hedged against Euro.
- 7.2.4 The Issuer shall enter into hedging arrangements for the purpose of:
- (a) currency protection of Euro against the currency in which the Investment is denominated so that at least 90 per cent of the total value of the Investments from time to time is denominated in Euro or hedged against Euro, and
  - (b) if deemed appropriate by the Issuer and to the extent relating to an Investment, interest rate protection.
- 7.2.5 Any unutilised part of the Total Participation shall be invested in Euro denominated corporate investment grade bonds with a maximum of two (2) years remaining to maturity or be placed on short term bank deposits.
- 7.2.6 The restrictions in this Clause 7.2 may be varied with the consent of the Joint Investors.

## **7.3 Objective**

- 7.3.1 The principal objective of the Issuer is to achieve a net annual return on the Total Participation amounting to eight (8) per cent, such net return to be distributed in accordance with these Terms and Conditions. This shall not constitute any legal commitment by the Issuer to achieve such principal objective and the Issuer does not make any representation or warranty whatsoever about whether the Issuer will achieve such principal objective.
- 7.3.2 The Issuer shall ensure that all Investments are made in accordance with the Ethical Policy.
- 7.3.3 The Issuer shall not apply or make available, directly or indirectly, any investments or monies to any person, entity or government subject to any sanctions administered by the United Nations or the European Union or equivalent sanctions in any laws applicable to the Issuer.



#### **7.4 Investment Restrictions**

- 7.4.1 The Issuer may, subject to Clause 7.2 (*Purpose*), in its discretion make any initial single Investment (or series of related Investments) up to a total amount invested equal to seven point five (7.5) per cent of the Total Initial Commitment. Notwithstanding the foregoing, the Issuer may subsequently increase the size of any single Investment to a maximum of ten (10) per cent of the Total Initial Commitments. Any single Investment (or series of related Investments) exceeding such amounts shall be subject to the prior approval by the Joint Investors.
- 7.4.2 Investments made in a single business sector shall not exceed a total of 25 per cent of the Total Initial Commitment at the date of the relevant Investment unless previously approved by the Joint Investors.
- 7.4.3 No new Investments shall be made after the Final Investment Date, without the prior approval of the Joint Investors. However, the Issuer may (i) retain an unutilised amount or (ii) utilise any outstanding amounts under the Subscription Undertakings, in an aggregate of up to ten (10) per cent of the Total Initial Commitment for additional investments in existing Investments and/or for payment of costs related to the Portfolio after the Final Investment Date, provided that any such additional investment may not exceed 20 per cent of the original Investment without the prior approval of the Joint Investors.
- 7.4.4 The Issuer shall neither invest in nor acquire Investments from any other fund or similar entity to which Proventus AB, the Parent, the Manager or an Affiliate, directly or indirectly, acts as advisor or manager, nor make any Investment in or acquire Investments where the Parent or an Affiliate (directly or indirectly) holds an ownership interest (unless insignificant), in each case unless made in the manner set out in Clause 7.5 (*Indirect Investments*) or approved by the Joint Investors.
- 7.4.5 No Investment shall be made in any fund or similar entity that charges a management fee, carried interest or similar.

#### **7.5 Indirect Investments**

- 7.5.1 The Issuer may, for regulatory and/or tax purposes and provided that it is in the best interest of the Debentureholders, make Investments by way of providing funding, through limited recourse loans, sub-participations, total return swaps or otherwise, to (i) an Affiliate or (ii) an independent credit institution, in each case owning the relevant asset, provided, however, that the aggregate amount of each such Investment and previously made indirect Investments under this Clause 7.5 may not exceed 25 per cent of the Total Initial Commitment at the date of the relevant Investment without the consent of the Joint Investors.
- 7.5.2 Investments made through a credit institution that is also an Affiliate may, if necessary to comply with capital adequacy rules, be made by providing tier 1 or tier 2 capital (both as defined in the relevant Basel Accord) to such credit institution or by investing in equity in such credit institution, in each case as may be necessary to make indirect Investments possible.
- 7.5.3 Indirect Investments made through an Affiliate shall not generate any gains for such Affiliate that does not constitute Ordinary Income.

## 7.6 Derived Assets

The Issuer may as a consequence of them making or holding an Investment, or in connection with a restructuring or composition in relation to an Investment in which the Issuer participates, obtain Derived Assets. Such Derived Assets may be held by the Issuer as a part of the Portfolio and sold or otherwise disposed of when the Issuer deems fit. All cash amounts payable to the Issuer as a result of (i) holding a Derived Asset or (ii) a sale or other disposal of a Derived Asset shall constitute Ordinary Income.

## 8. INTEREST, CARRIED INTEREST AND CARRY-BACK

### 8.1 Calculations

8.1.1 At the end of each Interest Period, the Issuer shall for each Participation calculate the Period Net Ordinary Income for such Interest Period in the manner as follows: the Ordinary Income for an Interest Period shall be divided *pro rata* between the Participations. The respective portion of Ordinary Income so allocated shall be reduced by the applicable Management Fee and the Direct Management Costs attributable to the Participation (if any), and the respective net amount shall constitute the “**Period Net Ordinary Income**” for the relevant Participation.

8.1.2 At the end of each Interest Period, the Issuer shall for the Debentureholder Participation calculate the Period Hurdle Amount, the Accumulated Hurdle Amount and the Accumulated Net Ordinary Income in the manner set forth below:

- (a) An amount of interest on the Debentureholder Participation during the relevant Interest Period shall be calculated by applying (i) the Fixed Hurdle Rate and (ii) the Floating Hurdle Rate. Such interest shall be calculated for the relevant Interest Period on the average Debentureholder Participation during such Interest Period. When making such calculation, interest shall be calculated on the actual number of days elapsed on a 360 day/year basis. The higher of the amounts so calculated shall constitute the “**Period Hurdle Amount**”.
- (b) The sum of all Period Hurdle Amounts calculated for previous Interest Periods and the Period Hurdle Amount for the relevant Interest Period *plus* an amount equal to (i) the difference between any Principal Proceeds received (for the purpose of this Clause 8.1.2(b), including any Principal Proceeds which are retained for reinvestment pursuant to Clause 10.1(b)) during each relevant Interest Period and the original amount invested in the relevant Investment or (ii) if an Investment has been written off and has not been subsequently recovered, the amount which has been written off, shall constitute the “**Accumulated Hurdle Amount**”.
- (c) The sum of all Previous Interest and Previous Carried Interest and the Period Net Ordinary Income for the relevant Interest Period shall constitute the “**Accumulated Net Ordinary Income**”.

8.1.3 At the end of each Interest Period, the Issuer shall for the Debentureholder Participation calculate the Interest, Carried Interest and Carry-Back for such Interest Period, in the manner set forth below:

- (a) The Accumulated Hurdle Amount *plus* 80 per cent of the part (if any) of the Accumulated Net Ordinary Income that *exceeds* the Accumulated Hurdle Amount, *less* the Previous Interest shall constitute “**Interest**” on the Debentureholder Participation for the relevant Interest Period.
- (b) The Interest on the Debentureholder Participation for the relevant Interest Period shall be paid out of the Period Net Ordinary Income, provided, however, that:
  - (i) if the Interest is *less* than the Period Net Ordinary Income, the remaining Period Net Ordinary Income shall constitute “**Carried Interest**” on such Debentureholder Participation for the relevant Interest Period; and
  - (ii) if the Interest *exceeds* the Period Net Ordinary Income, the Parent shall repay so much of any Carried Interest as may be necessary to compensate such shortfall as “**Carry-Back**” on such Debentureholder Participation for the relevant Interest Period.

8.1.4 The Period Net Ordinary Income calculated for the Parent Participation for each Interest Period shall constitute “**Interest**” on the Parent Participation for such Interest Period.

## 8.2 Interest

8.2.1 Each Debentureholder is entitled to its share of the Interest on the relevant Participation for each Interest Period. The amount of interest to be paid on each Debenture shall be calculated as the Interest on the relevant Participation *divided by* the number of Debentures issued under such series, rounded off to the nearest whole amount of Euro. The Parent is entitled to Interest on the Parent Participation for each Interest Period.

8.2.2 All calculations of Interest shall be made without taking into account any tax payable by the Issuer (other than if a Permitted Cost).

8.2.3 Interest to Debentureholders is payable ten (10) Business Days after the last day of each Interest Period (being 31 December, 31 March, 30 June and 30 September for each year, following the initial Interest Period set out in Clause 9.1) and shall accrue and be paid from and including the First Closing Issue Date up to the Final Repayment Date. Interest on the Parent Participation shall be for the account of the Parent and shall after the last day of the relevant Interest Period not form part of the Portfolio.

## 8.3 Carried Interest

Carried Interest shall be for the account of the Parent and shall not form part of the Portfolio. The Carried Interest shall be distributed to the Parent as agreed between the Parent and the Issuer.

#### 8.4 Carry-Back

The Carry-Back received by the Issuer shall be treated as Interest on the relevant Debentureholder Participation and shall be payable to the Debentureholders as set forth in Clause 8.2 (*Interest*). The obligation of the Parent to pay Carry-Back pursuant to Clause 8.1.3(b)(ii) shall be partially guaranteed by Proventus AB pursuant to Clause 15.12 (*Proventus AB Guarantee*).

### 9. INTEREST PERIODS

- 9.1 The first Interest Period shall run from the First Closing Issue Date until 31 December 2018. Thereafter, each Interest Period shall be three (3) months.
- 9.2 The first Interest Period shall start on the First Closing Issue Date and each subsequent Interest Period shall start on the last day of the preceding Interest Period. The last Interest Period shall end on the Final Repayment Date.
- 9.3 Notwithstanding the foregoing, the initial Interest Period for any subsequent Debentures shall run from the last day of the previous Interest Period for which Interest has been paid in respect of the original Debentures to the last day of the subsequent Interest Period for the original Debentures.
- 9.4 If an Interest Period would otherwise end on a day that is not a Business Day, that Interest Period will instead end on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

### 10. PRINCIPAL PROCEEDS

- 10.1 Any Principal Proceeds received by the Issuer before the occurrence of the Final Investment Date shall be applied:
- (a) *first* (if applicable):
- (i) first towards repayment of such part of any Financial Indebtedness incurred by the Issuer which (i) falls due in connection with the receipt of the Principal Proceeds, (ii) has fallen due prior thereto but remains unpaid or (iii) is otherwise to be repaid in connection with the receipt; and
  - (ii) thereafter as Ordinary Income, up to an amount equal to the Outstanding Financing Deficit;
- (b) *second* (in each case as decided by the Manager, provided that the Principal Proceeds are applied in the same manner as equivalent principal proceeds received by PCP IV and PCP IV C), if the relevant Principal Proceeds relate to an Investment made:
- (i) *less* than 18 months before receipt of such Principal Proceeds, be retained by the Issuer and be applied towards reinvestment; or

- (ii) *more* than 18 months before receipt of such Principal Proceeds, be retained by the Issuer and be applied towards reinvestment in the same group of companies or financial institution, to be made before the second Interest payment date (as set out in Clause 8.2.3) following the receipt of such Principal Proceeds,

up to an amount which together with any repayment pursuant to paragraph (a) is equivalent to the purchase price or original investment amount, as the case may be, (determined in accordance with GAAP) for the Investment or equivalent part thereof (as applicable);

- (c) *third* (if applicable and provided that the repayment date and amount have been specified by the Issuer in a notice delivered in accordance with Clause 14.1(e)), be applied towards repayment, *pro rata* of the Participations up to an amount which together with any repayment pursuant to paragraph (a), any amount retained pursuant to paragraph (b) is equivalent to the purchase price or original investment amount, as the case may be, (determined in accordance with GAAP) for the Investment or equivalent part thereof (as applicable); and
- (d) *fourth* (if applicable), be applied as Ordinary Income.

**10.2** Any Principal Proceeds received by the Issuer on or after the occurrence of the Final Investment Date shall be applied:

- (a) *first* (if applicable):
  - (i) first towards repayment of such part of any Financial Indebtedness incurred by the Issuer which (i) falls due in connection with the receipt of the Principal Proceeds, (ii) has fallen due prior thereto but remains unpaid or (iii) is otherwise to be repaid in connection with the receipt; and
  - (ii) thereafter as Ordinary Income, up to an amount equal to the Outstanding Financing Deficit;
- (b) *second*, provided that the repayment date and amount have been specified by the Issuer in a notice delivered in accordance with Clause 14.1(e), towards repayment, *pro rata* of the Participations up to an amount which together with any repayment pursuant to paragraph (a), is equivalent to the purchase price or original investment amount, as the case may be, (determined in accordance with GAAP) for the Investment or equivalent part thereof (as applicable); and
- (c) *third* (if applicable), as Ordinary Income.

**10.3** Any amount retained by the Issuer for reinvestment in accordance with Clause 10.1 shall not be deemed to form part of Principal Proceeds and shall after the Final Investment Date be deemed an unutilised part of the Total Participation for the purposes of Clause 11.1 (*Final Investment Date*).

## **11. REPAYMENT OF THE PARTICIPATIONS**

### **11.1 Final Investment Date**

If the unutilised part of the Total Participation (including any amount retained for reinvestment in accordance with Clause 10.1) on the Final Investment Date exceeds ten (10) per cent of the Total Participation, such excess amount shall be used to repay *pro rata* the Participations unless the Joint Investors and the Parent agree otherwise. Such repayment to take place no later than 20 Business Days after the last day of the Interest Period in which the Final Investment Date falls (the repayment day to be notified in the report delivered pursuant to Clause 14.1(c)).

### **11.2 Final Repayment Date**

11.2.1 The Issuer shall, during the six (6) months preceding the Final Repayment Date, dispose of all Investments in the Portfolio in a commercially sound manner, settle all its external debts and liabilities and place the remaining funds received on short term bank deposits. For the avoidance of doubt, Clause 10.2 applies also to such remaining funds.

11.2.2 Any assets in the Portfolio which are not possible to dispose of in a commercially sound manner, and therefore remain on the Final Repayment Date, shall be distributed in kind in accordance with Clause 10.2 applied *mutatis mutandis*. If so requested by a Debentureholder, the Manager will either (i) offer customary management services in relation to assets which are distributed in kind to such Debentureholder in accordance herewith, such services to be provided on terms and conditions which at all times shall be in accordance with the applicable market practice or (ii) use its best efforts to provide an arrangement whereby remaining assets may continue to be owned by the Issuer, on commercial terms based on these Terms and Conditions. However, in relation to (ii) in this Clause 11.2.2, the applicable Management Fee shall be reduced by 50 per cent.

11.2.3 Following distribution (if any) in accordance with Clause 10.1(c), 10.2(b), 11.1 (*Final Investment Date*) and 11.2.2 (as applicable), the Debentures shall be deemed repaid in full and the Issuer shall have no further obligations to the Debentureholders with respect to these Terms and Conditions other than if specifically set out in these Terms and Conditions.

### **11.3 Changes to legislation**

If it becomes unlawful, or such unlawfulness is imminent, for the Issuer to perform its obligations under these Terms and Conditions or should any substantial decrease in revenue occur, or be imminent, for the Issuer, or substantial additional or increased cost be incurred or suffered by, or be imminent for, the Issuer, as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of these Terms and Conditions, the Manager may, on behalf of the Issuer, declare the Debentures prematurely due and payable on a date determined by the Issuer, by giving the Debentureholders at least six (6) months' notice. During such period, the Portfolio shall be unwound in accordance with Clause 11.2 (*Final Repayment Date*) applied *mutatis mutandis*, unless the Joint Investors and the Manager agree otherwise. If such event relates solely to the existence or structuring of PCP IV C, or its position as a parallel investment vehicle to the Issuer and PCP IV

then the Issuer, Proventus AB and the Participating Parties shall, before the Debentures are declared prematurely due and payable, in good faith try to find another suitable structure for Proventus AB's and the Participating Parties' participation in the Co-Investments.

## **12. PAYMENTS**

### **12.1 Payments to the Debentureholders**

- 12.1.1 Payment of the Participation Loan Amount and Interest shall be made to such persons who are registered as Debentureholders five (5) Business Days prior to the relevant due date (the "**Record Date**") or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment or repayment.
- 12.1.2 If a Debentureholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Debentureholder at the address registered with the CSD on the Record Date. However, Interest only accrues up to and including the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Debentureholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 12.1.3 If payment is effectuated in accordance with this Clause 12, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective if such payment was made to a person not entitled to receive such amount.
- 12.1.4 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- 12.1.5 Any Interest shall be paid to the Debentureholders as interest on the Debentures. For the avoidance of doubt, any such amount shall not be affected by any difference between any Principal Proceeds finally received (for the purpose of this Clause 12.1.5, including any Principal Proceeds which are retained for reinvestment pursuant to Clause 10.1(b)) and the original amount invested in the relevant Investment or any amounts written off and not subsequently recovered in respect of the relevant Investment.
- 12.1.6 Any repayment of the Debentureholder Participation shall be a repayment of the Participation Loan Amount. For the avoidance of doubt, such amount may be decreased by any difference between any Principal Proceeds finally received (for the purpose of this Clause 12.1.6, including any Principal Proceeds which are retained for reinvestment pursuant to Clause 10.1(b)) and the original amount invested in the relevant Investment or any amounts written off and not subsequently recovered in respect of the relevant Investment.
- 12.1.7 If both the Participation Loan Amount and Interest are due for payment and if the available funds are insufficient to discharge all the amounts due and payable, the

available funds shall first be applied towards payment of Interest and secondly towards repayment of the Participation Loan Amount.

- 12.1.8 Notwithstanding anything to the contrary in these Terms and Conditions, neither the Issuer nor the CSD will be under any obligation to make a payment to a Debentureholder unless the Debentureholder has provided to the Issuer or the Manager all information, policies and procedures from time to time reasonably requested with reasonable notice by the Issuer for it and the Manager to comply with applicable anti-money laundering, anti-corruption, sanctions and tax matters reporting laws.

## **12.2 Payments to the Parent**

- 12.2.1 The Issuer may decide the form for payments to the Parent (whether relating to payments of Interest, Carried Interest or Management Fees, the repayment of the Parent Participation, or otherwise).
- 12.2.2 The Issuer may, at its discretion, retain any amounts payable to the Parent. Such amounts shall be kept separated from, and not form part of, the Portfolio. Any amount so retained shall nonetheless be deemed repaid or otherwise distributed to the Parent for the purpose of these Terms and Conditions.
- 12.2.3 The Management Fee shall fall due in arrears on the last day of each Interest Period and on the Final Repayment Date.

## **12.3 Receipt in kind**

Except as set forth in Clause 11.2.2, all payments made to the Debentureholders and the Parent under these Terms and Conditions shall be made in cash. Therefore, although Derived Assets received by the Issuer shall form part of the Portfolio, any Ordinary Income or Principal Proceeds received otherwise than in cash that is immediately available for distribution shall not, for the purpose of this Clause 12, be considered to have been received by the Issuer until (i) such income or proceeds have been converted to cash in a commercially reasonable manner or (ii) such assets have been deemed not possible to dispose in accordance with Clause 11.2.2.

## **12.4 No tax gross-up**

- 12.4.1 The Issuer is not liable to gross up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.
- 12.4.2 At the request of a Debentureholder, the Issuer shall, in consultation with such Debentureholder, take reasonable steps to mitigate any circumstances which arise and which would result in any withholding tax, public levy or the similar becoming payable by such Debentureholder or reducing any payment made by the Issuer to such Debentureholder.

## **13. MANAGEMENT OF THE PORTFOLIO**

- 13.1 The Manager shall manage the Portfolio on behalf of the Issuer and shall make Investment and divestment decisions in accordance with these Terms and Conditions



on behalf of the Issuer. The Board of Directors shall supervise the Manager's management of the Portfolio.

- 13.2** The Key Executives shall be responsible for the management of the Portfolio. In case any Key Executive for any reason terminates his employment with the Manager, his employment is being terminated by the Manager or, for a period of six (6) consecutive or non-consecutive months over any twelve (12) month period, does not, or will not be able to, devote time to the Issuer and the Portfolio as set out in Clause 13.3 or 13.4, as applicable, the Manager shall use its best efforts to replace him with a substitute executive as soon as possible and preferably before his employment has ended. Any substitute executive must have sufficient skill and experience and be approved by the Joint Investors pursuant to Clause 17.5(h) (for the avoidance of doubt, when calculating the relative voting rights for such matter, what is stated in Clause 17.7(c) shall be taken into account). However, no decisions about new Investments shall be taken until a replacement of the relevant Key Executive has been approved by the Joint Debentureholders. If no substitute executive has been appointed within six (6) months (or such longer period that has been approved by the Joint Debentureholders) from the earlier date when (i) the relevant Key Executive's employment ends, and (ii) a default in respect of Clause 13.3 has occurred and is continuing, the Final Investment Date shall be deemed to have occurred.
- 13.3** Until at least 85 per cent of the Total Initial Commitment has been invested (or been committed to be invested), the Manager shall procure that each of the Key Executives devotes substantially all of his business time and efforts (presupposing full-time employment) to the Issuer and the Portfolio so as to allow the Manager to fulfil its obligations hereunder. Notwithstanding the foregoing, the Key Executives shall be entitled to spend time on (i) management of Proventus Capital Partners II AB (publ), Proventus Capital Partners III AB (publ), Proventus Capital Partners Alpha AB (publ), PCP IV and PCP IV C and other present engagements (or similar engagements which may replace such present engagements from time to time), (ii) marketing and establishment of a new investment programme (provided that no funds are paid or investments are made in such programme) and (iii) investments and investment programmes which are permitted under these Terms and Conditions, provided, in each case, that the Portfolio always receives from the Key Executives the attention necessary for a professional management.
- 13.4** After 85 per cent of the Total Initial Commitment has been invested (or been committed to be invested), the Manager shall procure that each of the Key Executives devotes so much time to the Issuer and the Portfolio as is reasonably required to allow the Manager to fulfil its obligations hereunder.
- 13.5** At the date of these Terms and Conditions, the Manager is wholly owned by a management team working actively in the Manager, consisting of, amongst others, the Key Executives. Should the management team working actively in the Manager from time to time cease to hold (directly or indirectly) at least 75 per cent of all votes and outstanding shares of the Manager, or should the Key Executives cease to hold (directly or indirectly) at least 33 per cent of all votes and outstanding shares of the Manager, no decisions about new Investments shall be taken for as long as this is continuing, and should this continue for a period of six (6) months (or such longer period that has been approved by the Joint Debentureholders), the Final Investment Date shall be deemed to have occurred. The Manager shall procure that the aforementioned management team, between themselves, agree not to transfer or

issue shares in the Manager to persons other than members of such management team, without the prior approval of the Joint Investors pursuant to Clause 17.5. The Issuer and the Manager, individually, shall notify the Joint Investors of any matter that occurs which is of relevance to the Joint Investors in relation to this Clause 13.5, including, but not limited to, changes of ownership in the Manager, issuances of shares in the Manager and changes to the aforementioned management team.

- 13.6** The Board of Directors shall consist of up to five (5) members, appointed by the Parent. At least half of the board members shall be persons independent from the Manager and Proventus AB and at least one of those independent board members shall have such competence within the field of auditing and/or accounting as is required pursuant to Chapter 8, Section 49a paragraph 2 of the Companies Act. The Board of Directors shall at all times consist of the same persons which constitute the board of directors of PCP IV.

## **14. INFORMATION UNDERTAKINGS**

**14.1** The Issuer shall provide to each Joint Debentureholder:

- (a) no later than three (3) months after the end of each financial year, its annual audited financial statements, information on the Management Fees paid and accruals/distributions of Carried Interest for the preceding calendar year, and for the period starting from the First Closing Issue Date and ending on the last preceding calendar quarter, as well as the amount available for Investments at the last preceding calendar quarter;
- (b) no later than two (2) months after the end of each calendar quarter, its unaudited financial statements and a narrative description of material developments of the Portfolio, including payments and distributions made to the Parent, information on the Management Fees paid and accruals/distributions of Carried Interest for the preceding calendar quarter, and for the period starting from the First Closing Issue Date and ending on the last day of the relevant calendar quarter, as well as the amount available for Investments at the last day of the relevant calendar quarter, provided further that the financial statements delivered after the end of the second calendar quarter in each year shall also include a review by the auditors;
- (c) within ten (10) Business Days after the end of each calendar quarter, a report on the Portfolio Value as of the last Business Day of such calendar quarter, such report to include a description of the determination of such market value, information on any Financial Indebtedness incurred by the Issuer and information on any repayment of the Participations pursuant to Clause 10.1(c), 10.2(b) or 11.1 (*Final Investment Date*);
- (d) within five (5) Business Days after the end of each calendar quarter, a preliminary report on the Portfolio Value as of the last Business Day of such calendar quarter;
- (e) with notice of any payment to be made by the Issuer to it under these Terms and Conditions, five (5) Business Days before such payment is due;

- (f) within ten business days of the quarter's end the Issuer shall proactively provide each Joint Debentureholder such information as is necessary or desirable for the relevant Joint Debentureholder to comply with its applicable regulatory framework (provided that such information has been requested by the Joint Debentureholder and can be provided by the Issuer, using reasonable efforts, and that the relevant Joint Debentureholder will on demand reimburse the Issuer for any costs incurred to comply with such request);
- (g) no later than 20 Business Days after the end of each financial year, such other information as is necessary for the preparation of tax returns by the Debentureholders or as may be desirable by the Debentureholders to procure tax benefits in any jurisdiction (provided that such information has been requested by the Debentureholders and can be provided by the Issuer, using reasonable efforts, and that the relevant Debentureholders will on demand reimburse the Issuer for any costs incurred to comply with such request),

in each case (i) excluding any information which may be considered as insider information pursuant to the Market Abuse Penalties Act (*lag (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*), and (ii) in accordance with GAAP, unless the Debentureholders at the request of the Issuer have agreed to substitute GAAP with other principles.

**14.2** The Issuer shall, promptly upon becoming aware of the same, notify the Joint Debentureholders (with reasonable detail) of:

- (a) any dispute relating to a claim against the Manager, the Issuer or PCP IV C exceeding EUR 100,000;
- (b) the commencement of any formal investigation by any regulatory or administrative body with authority over the Manager or the Issuer which involves an allegation of material violation of law directly relating to the affairs of the Manager or the Issuer (as applicable), and, when resolved, the outcome of the investigation, unless the Manager or the Issuer would be restricted by such regulatory or administrative body to disclose such information or otherwise pursuant to applicable law or such information may be considered as insider information pursuant to the Market Abuse Penalties Act;
- (c) subject to Clause 17.5(a), any amendment to its Articles of Association;
- (d) any termination of the auditor of the Issuer; and
- (e) any breach of any other obligation or undertaking by the Issuer or PCP IV C, which is not immaterial.

**14.3** The Issuer is obliged to immediately notify the Joint Debentureholders (with full particulars) if any circumstance specified in Clause 16 (*Acceleration of the participation loan*) occurs and shall provide each Joint Debentureholder with such further information as it may reasonably request following receipt of such notice.

**14.4** The Issuer shall convene an annual information meeting for the Joint Debentureholders to be held within 40 Business Days after the delivery of the annual

audited financial statements in accordance with Clause 14.1(a). The purpose of the information meeting is to present the activities of the Issuer during the previous year.

**14.5** The Issuer shall upon request by a Joint Debentureholder, to the extent permitted under confidentiality obligations following from applicable law or contract, provide to the requesting Joint Debentureholder the contact details, which the Issuer has on record and to the best of its knowledge are up-to-date, of all persons to which Debentures have been issued, and their relevant investment directors, portfolio managers or similar.

**14.6** Notwithstanding Clause 14.1, the Issuer may from time to time provide additional information to Joint Debentureholders that have made confidentiality undertakings to the Issuer. If the Issuer decides to offer the Joint Debentureholders any additional information, all Joint Debentureholders shall be treated equally and entitled to receive the same information, provided they enter into confidentiality undertakings, as requested by the Issuer.

## **15. GENERAL UNDERTAKINGS**

### **15.1 Distributions**

15.1.1 The Issuer shall not (i) make any dividend on shares, (ii) repurchase its own shares, (iii) repay share capital or other restricted equity with repayment to shareholders or partners, as the case may be, by way of redemption or otherwise, or (iv) make other similar distributions to its shareholders or partners, as the case may be, unless permitted by these Terms and Conditions or the PCP IV C Agreement, as applicable.

15.1.2 The Issuer may, at its discretion, distribute assets and funds not forming part of the Portfolio.

### **15.2 Business of the Issuer**

15.2.1 The Issuer shall procure that no change is made in the general nature of the business of the Issuer from that carried on as of the First Closing Issue Date and the Issuer shall not engage in any other business activity different from what is contemplated by these Terms and Conditions, except with the prior consent of the Joint Investors.

15.2.2 The Issuer shall not enter into any voluntary liquidation, amalgamation, demerger, merger or corporate reconstruction.

### **15.3 Financial Indebtedness**

15.3.1 The Issuer may not incur Financial Indebtedness other than:

- (a) for as long as any Subscription Undertaking is in force, a bridge facility or other short term debt for the purpose of making Investments, at the Issuer's discretion, provided that such debt (i) does not at any time exceed ten (10) per cent of the Available Participation, (ii) does not exceed five (5) per cent of the Available Participation for more than any three (3) consecutive months and (iii) is repaid in full for a period of at least five (5) Business Days during each six (6) month period; and

- (b) in any other case, but only for the purpose of funding Investments and after at least 85 per cent of the Available Participation has been invested (or been committed to be invested), if, and to the extent, the Joint Investors have consented thereto in accordance with Clause 17 (*Decisions by Joint Investors*).

15.3.2 Notwithstanding Clause 15.3.1, the Issuer shall procure that the aggregate Financial Indebtedness does not at any time exceed 30 per cent of the Available Participation.

15.3.3 Financial Indebtedness incurred under Clause 15.3.1(a) shall be repaid from participations made pursuant to Clause 4 (*Participation*), or Ordinary Income or Principal Proceeds, as specified in the definition of Ordinary Income and in Clause 10 (*Principal Proceeds*). Financial Indebtedness incurred under Clause 15.3.1(b) shall be repaid from Ordinary Income or Principal Proceeds, as specified in the definition of Ordinary Income and in Clause 10 (*Principal Proceeds*).

#### **15.4 Negative pledge**

15.4.1 The Issuer shall not create or permit to subsist any Security over any part of the Portfolio or enter into any other preferential arrangement having a similar effect.

15.4.2 In order to secure any Financial Indebtedness permitted pursuant to Clause 15.3 (*Financial Indebtedness*), the Issuer may create Security over, or assign to the lender(s), its rights pursuant to the Subscription Undertakings. As further specified in the Subscription Undertakings, whenever such Security is granted, the Issuer shall notify the relevant Debentureholders thereof in writing, setting out which amount that the Security is limited to. If such Security is enforced, the lender(s) may require that the relevant Debentureholder subscribes for Debentures in accordance with their Subscription Undertaking, provided, however, that (i) instead of the relevant Debentureholder making the payment for the Debentures to the Issuer, such payment shall be made to an account specified by the lender(s) and (ii) the aggregate Issue Price for such Debentures may not exceed the amount that the Security is limited to.

#### **15.5 Currency protection**

Any hedging arrangements made pursuant to Clause 7.2.4 shall be made with a reputable bank or financial institution.

#### **15.6 Authorisations**

The Issuer shall procure that it obtains and maintains all necessary authorisations, consents and any other relevant regulatory approvals or permits.

#### **15.7 Listing**

The Issuer shall ensure that the Series A1 Debentures and the Series B Debentures are listed on a regulated market in Sweden not later than twelve (12) months after the First Issue Closing Date, and remain so listed or, if such listing is not possible to obtain or maintain, on another regulated market reasonably acceptable to the Joint Debentureholders.

**15.8 Separate book entries, etc.**

For the purpose of calculating Ordinary Income and Principal Proceeds, each Investment shall be kept as a separate book entry in the books of the Issuer.

**15.9 Separation of the Portfolio**

The Issuer shall at all times keep the Portfolio separated from its other assets (whether physically or by way of book-keeping).

**15.10 Indirect investments**

Investments made through an Affiliate in accordance with Clause 7.5 (*Indirect Investments*) shall not generate any gains for the Affiliate that does not constitute Ordinary Income.

**15.11 PCP IV C**

15.11.1 The Parent shall procure that PCP IV C does not engage in any business activity other than as contemplated by these Terms and Conditions, except with the prior consent of the Joint Debentureholders.

15.11.2 The Parent shall procure that no other person than Proventus AB or a Participating Party may become a shareholder of PCP IV C and that no such party becomes a shareholder, or increases its commitment in, PCP IV C after the last Subsequent Closing Issue Date, except with the prior consent of the Joint Debentureholders.

15.11.3 The Parent shall procure that PCP IV C only incurs Financial Indebtedness for the purpose of making Investments:

- (a) for as long as any PCP IV C available amount is in force, at PCP IV C's discretion, provided that such Financial Indebtedness (i) does not at any time exceed ten (10) per cent of the PCP IV C available participation, and (ii) is repaid in full within six (6) months after disbursement;
- (b) in any other case, but only after at least 85 per cent of the PCP IV C available participation has been invested (or been committed to be invested), if, and to the extent, the Joint Investors have consented thereto in accordance with Clause 17 (*Decisions by Joint Investors*).

Notwithstanding this Clause 15.11.3, the Parent shall procure that PCP IV C's aggregate Financial Indebtedness does not at any time exceed 30 per cent of the PCP IV C available participation.

15.11.4 The Parent shall comply with the PCP IV C Agreement and shall procure that no amendments relating to a Co-Investment Matter is made to the PCP IV C Agreement, unless approved by the Joint Investors pursuant to Clause 17.5.

**15.12 Proventus AB Guarantee**

15.12.1 Proventus AB will provide a separate guarantee to the Issuer prior to the First Closing Issue Date setting out that Proventus AB will, unconditionally and irrevocably, guarantee in favour of the Issuer, as for its own debts (*proprieborgen*),

the due fulfilment of the Parent's obligation to pay Carry-Back in accordance with Clause 8.1.3(b)(ii), provided, however, that such guarantee will be limited to an amount equal to 50 per cent of the Carried Interest paid by the Issuer (the "**Proventus AB Guarantee**").

15.12.2 The Issuer undertakes to:

- (a) utilise the Proventus AB Guarantee in case the Parent does not fulfil its obligation to pay Carry-Back in accordance with Clause 8.1.3(b)(ii);
- (b) ensure that the Proventus AB Guarantee will remain in place until the Final Repayment Date; and
- (c) if there occurs a material adverse effect on the ability of Proventus AB to comply with its obligations under the Proventus AB Guarantee and the Joint Debentureholders determine that the security under the Proventus AB Guarantee is no longer sufficient, the Parent shall promptly procure that additional security reasonably acceptable to the Joint Debentureholders shall be provided to the Issuer for the Parent's obligation to pay Carry-Back in accordance with Clause 8.1.3(b)(ii).

### **15.13 Depositary**

15.13.1 The Manager shall ensure that the Depositary Agreement complies with these Terms and Conditions and that it can be terminated by the Issuer upon a material default of the Depositary or the new depositary, as the case may be.

15.13.2 If the Issuer decides to terminate the Depositary Agreement with the Depositary in accordance with the terms thereof, the Issuer may do so and appoint a new depositary in accordance with the provisions of the Depositary Agreement. A new depositary must be qualified to act as such under the AIFM Act.

15.13.3 Upon termination of the Depositary Agreement in relation to the Depositary, the Manager shall assist the Issuer in appointing a new depositary in accordance with the provisions of the Depositary Agreement and the Issuer shall execute such documents and take such action as the new depositary may reasonably require for the purpose of vesting in such new depositary the same rights, powers and obligations of the Depositary as it has under the Depositary Agreement. The Issuer shall promptly inform the Joint Debentureholders about any such replacement.

15.13.4 The new depositary shall take instructions from the Manager and be given all necessary powers of attorney and other support from the Issuer to be able to perform its duties.

## **16. ACCELERATION OF THE PARTICIPATION LOAN**

**16.1** Any Debentureholder is (subject to the further conditions specified below) entitled to declare all of its Debentures immediately due and payable if any of the following events has occurred and is continuing:

- (a) The Issuer is unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts.

- (b) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of the Issuer;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
  - (iii) the appointment of a liquidator, receiver, administrator or other similar officer in respect of the Issuer or any of its assets; or
  - (iv) enforcement of any security over any assets of the Issuer,
- or any analogous procedure or step is taken in any jurisdiction, except for any action by a third party that is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

If any Debentures are declared due and payable in accordance with this Clause 16.1: (A) each Joint Debentureholder shall be promptly notified thereof by the Issuer, and each Debentureholder shall have the right to declare its Debentures due and payable; and (B) the Issuer shall partially unwind the Portfolio by applying Clause 11.2 (*Final Repayment Date*) *mutatis mutandis* and apply an amount equivalent to the relevant Debentureholder's aggregate Capital Amount of its Debentures *divided by* the Total Participation (and the equivalent for any Debentureholder which has declared its Debentures due and payable in accordance with item (A) in this paragraph) of the Portfolio Value towards repayment up to the Participation Loan Amount. Any amount thus received, which is in excess of the Participation Loan Amount, shall be paid to the relevant Debentureholder(s) as Interest.

**16.2** Any Debentureholder is (subject to the further conditions specified below) entitled to declare all of its Debentures immediately due and payable, if any of the following events has occurred and is continuing and provided that such acceleration is requested by a Joint Debentureholder (or Joint Debentureholders) representing at least 50 per cent of the Joint Debentureholder Participation:

- (a) *Issuer change of control*: The Parent ceasing to hold (directly or indirectly) all votes and outstanding shares of the Issuer, except with the prior consent of the Joint Debentureholders.
- (b) *Parent change of control*: The management team from time to time working actively in the Parent ceasing to hold at least 75 per cent of all votes and outstanding shares of the Parent or the Key Executives ceasing to hold at least 33 per cent of all votes and outstanding shares of the Parent, provided that this continues for a period of six (6) months (or such longer period that has been approved by the Joint Investors pursuant to Clause 17.5), except with the prior consent of the Joint Investors.
- (c) *Replacement of the Manager*: The Manager, for any reason, ceasing to operate as external AIF manager (*extern AIF-förvaltare*) for either of the Issuer, PCP IV or PCP IV C, except with the prior consent of the Joint Investors.



- (d) *Failure to comply:* The Issuer or (where applicable), the Parent, the Manager or PCP IV C fails to comply with, or in any way acts in violation of, a material obligation under these Terms and Conditions, including but not limited to failure to comply with Clause 4.3 (*Parent Participation*), provided that (i) the Joint Debentureholder(s) requesting the acceleration have notified the Issuer in reasonable detail of the relevant failure and/or violation, and (ii) that the Issuer, the Manager or PCP IV C, as the case may be, does not remedy such failure or violation within 20 Business Days from the day of receipt of such notification. If the failure or violation cannot be remedied, or if the Issuer, the Manager or PCP IV C, as the case may be, fails to remedy the failure or violation as set out above, each Debentureholder may, following request as stated above, declare its Debentures payable without such prior notice.
- (e) *Insolvency or liquidation of PCP IV C:* Any of the events stated in Clause 16.1 occurs in relation to PCP IV C.
- (f) *Fraud and gross negligence:* Any of the Parent, the Manager, the Issuer or a Key Executive committing fraud or acting with gross negligence or wilful misconduct in relation to the Debentureholders or the Issuer (as applicable), provided that the Joint Debentureholder(s) requesting the acceleration have notified the Issuer in reasonable detail of the relevant fraud and/or occurrence of gross negligence or wilful misconduct.
- (g) *Cross default:* Any PCP IV debentureholder is entitled to declare all of its debentures prematurely due and payable under the PCP IV Terms and Conditions.

If any Debentures are declared due and payable in accordance with this Clause 16.2, (i) the Portfolio shall be unwound and Clause 11.2 (*Final Repayment Date*) shall be applied *mutatis mutandis* for a period of six (6) months commencing on the day the Debentures were declared due and payable, or (ii) if decided by the Joint Debentureholders, the Final Investment Date shall be deemed to have occurred.

### 16.3

The Manager shall, on behalf of the Issuer, declare all Debentures prematurely due and payable on a date falling no more than one (1) year after the date of a request as set out below in this Clause 16.3, by giving the Joint Debentureholders at least six (6) months' notice if:

- (a) the Issuer fails to achieve a listing in accordance with Clause 15.7 (*Listing*), before the date specified therein, or if such listing is at any time thereafter discontinued and the Issuer fails within six (6) months to achieve a new listing in accordance with Clause 15.7 (*Listing*) and Joint Debentureholders representing at least ten (10) per cent of the Joint Debentureholder Participation have requested that the Issuer declares all Debentures prematurely due and payable; or
- (b) Joint Investors representing at least 67 per cent of the Joint Investor Participation requests that the Issuer declares all Debentures prematurely due and payable (and, for the avoidance of doubt, when calculating the relative voting rights for such matter, what is stated in Clause 17.7(c) shall be taken into account).

During such period, (i) the Issuer may not issue any new Debentures and (ii) the Portfolio shall be unwound and Clause 11.2 (*Final Repayment Date*) shall be applied *mutatis mutandis*.

- 16.4** In connection with an unwind of the Portfolio in accordance with Clause 16.2 or 16.3, the Parent, the Participating Parties, Proventus AB and the Debentureholders shall be provided the opportunity to acquire all or part of the Portfolio. Any such acquisition(s) shall be made on arm's length terms and by way of a controlled auction or similar sales process, managed by an independent third party with whom the Manager shall fully co-operate. For the avoidance of doubt, the Manager assumes no liability to any Joint Debentureholder for having acted in accordance with the instructions of the third party managing the sales process.
- 16.5** For Debentures that are declared due and payable in accordance with Clause 16.2(a) (*Issuer change of control*), 16.2(b) (*Parent change of control*), 16.2(c) (*Replacement of the Manager*), 16.2(d) (*Failure to comply*), 16.2(f) (*Fraud and gross negligence*) or 16.2(g) (*Cross default*) (but in relation to Clause 16.2(g) provided that the default in PCP IV is one that is mentioned in this Clause 16.5), and provided that the Portfolio shall be unwound, no Management Fee shall be payable to the Manager from the day the Debentures were declared due and payable.
- 16.6** Any request by a Joint Debentureholder to be made pursuant to this Clause 16 may only be validly made by a person who is a Joint Investor on the Business Day immediately following the day on which the request is received by the Issuer and shall, if made by several Joint Investors, be made by them jointly.

## **17. DECISIONS BY JOINT INVESTORS**

- 17.1** As a consequence of the investment structure set out in Clause 7.1 (*Structure*), decisions by the Debentureholders on a matter relating to these Terms and Conditions may affect the interests of the PCP IV debentureholders under the PCP IV Terms and Conditions and/or, if relating to a Co-Investment Matter, the interests of Proventus AB (in its capacity as an investor in PCP IV C). Therefore, if the Issuer shall convene a Joint Investors' Meeting or instigate a Written Procedure, pursuant to these Terms and Conditions, it shall also convene a joint investors' meeting or instigate a written procedure pursuant to the PCP IV Terms and Conditions, which, for the avoidance of doubt, in relation to each Co-Investment Matter shall also enable Proventus AB (subject always to what is stated in Clause 17.7(c)) to exercise its voting rights pursuant to these Terms and Conditions and the PCP IV B Terms and Conditions, and all decisions by the Joint Debentureholders (or the Joint Investors in case of a Co-Investment Matter) on a matter relating to these Terms and Conditions and all decisions by the Joint Debentureholders (or the Joint Investors in case of a Co-Investment Matter) pursuant to the PCP IV Terms and Conditions shall be dealt with at such a joint investors' meeting or such a joint written procedure, as the case may be.
- 17.2** Any request from (i) the Issuer, (ii) Proventus AB (if relating to a Co-Investment Matter), (iii) the Parent and (iv) a Joint Debentureholder (or Joint Debentureholders) representing at least ten (10) per cent of the Joint Debentureholder Participation (such request may only be validly made by a person who is a Joint Debentureholder on the Business Day immediately following the day on which the request is received by the Issuer and shall, if made by several Joint Debentureholders, be made by them

jointly) for a decision by the Joint Debentureholders or the Joint Investors, as the case may be, on a matter relating to these Terms and Conditions shall be directed to the Issuer and dealt with at a Joint Investors' Meeting or by way a Written Procedure, as determined by the requesting person(s). Such request shall specify if the relevant matter requires the consent of the Joint Debentureholders or the Joint Investors. The person(s) requesting the decision may suggest the form for decision making, but if it is in the Issuer's opinion more appropriate that a matter is dealt with at a Joint Investors' Meeting than by way of a Written Procedure, it shall be dealt with at a Joint Investors' Meeting.

**17.3** The Issuer may refrain from convening a Joint Investors' Meeting or instigating a Written Procedure if the suggested decision must be approved by any person in addition to the Joint Investors (including the Parent and the Issuer) and such person has informed the Issuer that an approval will not be given.

**17.4** Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6.1 (*Right to Act on Behalf of a Debentureholder*) from a person who is, registered as a Joint Debentureholder:

- (a) on the fifth (5) Business Day prior to the date of the Joint Investors' Meeting, in respect of a Joint Investors' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 19.2, in respect of a Written Procedure,

may exercise voting rights as a Joint Debentureholder at such Joint Investors' Meeting or in such Written Procedure.

**17.5** The following matters shall require the consent of Joint Investors representing at least 67 per cent of the Joint Investor Participation for which Joint Investors are voting at a Joint Investors' Meeting or for which Joint Investors reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:

- (a) changes to the Articles of Association of the Issuer;
- (b) changes to the investment restrictions set out in Clauses 7.2 (*Purpose*), and approvals by the Joint Investors pursuant to Clauses 7.4.1 to 7.4.4;
- (c) any change to, or waiver of, these Terms and Conditions relating to a Co-Investment Matter (subject to Clause 17.6);
- (d) a consent to any replacement of the Manger in its capacity as external AIF manager (*extern AIF-förvaltare*) for the either of the Issuer, PCP IV B or PCP IV C;
- (e) approval of transfer of existing shares or issue of new shares in the Manager, in each case to persons which are not part of the management team working actively in and owning the Manager as at the date of these Terms and Conditions, pursuant to Clause 13.5;
- (f) changes to the Valuation Policy;

- (g) the retention of additional unused funds after the Final Investment Date pursuant to Clause 11.1 (*Final Investment Date*);
- (h) appointment of a substitute Key Executive pursuant to Clause 13.2; and
- (i) new Investments after the Final Investment Date.

**17.6** The following matters shall require the consent of all Joint Investors voting at a Joint Investors' Meeting or all Joint Investors replying in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:

- (a) changes to the general nature of the Issuer's business as set out in Clause 15.2 (*Business of the Issuer*);
- (b) the issue of further Debentures other than in accordance with these Terms and Conditions;
- (c) a change to the terms for allocation and distribution of principal, proceeds and interest;
- (d) the incurring of Financial Indebtedness by the Issuer (other than as set out in Clause 15.3 (*Financial Indebtedness*) or PCP IV (other than as set out in Clause 15.3 (*Financial Indebtedness*) in the PCP IV Terms and Conditions);
- (e) a change to the terms dealing with Joint Investor consent; and
- (f) early termination of the Debentures and/or any part of the Debentureholder Participation (other than as set out in these Terms and Conditions).

**17.7** The following matters shall require the consent of Joint Debentureholders representing at least 67 per cent of the Joint Debentureholder Participation for which Joint Debentureholders are voting at a Joint Investors' Meeting or for which Joint Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:

- (a) any change to, or waiver of, these Terms and Conditions, other than relating to a Co-Investment Matter (subject to Clauses 17.5 and 17.6);
- (b) changes to the PCP IV C Agreement, to the extent such changes relate to a Co-Investment Matter;
- (c) dealings in matters in which Proventus AB or an affiliate of Proventus AB, the Parent or an Affiliate has, or would in the future have, a conflicting interest; and
- (d) any transactions or agreements between the Issuer and the Parent, PCP IV, PCP IV C or an Affiliate, except for agreements relating to services or transactions contemplated by these Terms and Conditions.

**17.8** The following matters shall require the consent of all Joint Debentureholders voting at a Joint Investors' Meeting or all Joint Debentureholders replying in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:

- (a) a change to the terms dealing with Debentureholder consent;
- (b) an extension of the term of the Debentures; and
- (c) a transfer by the Parent of any shares or interest in the Issuer.

- 17.9** Any matter not covered by Clauses 17.5 to 17.8 shall (i) if relating to a Co-Investment Matter require the consent of Joint Investors representing more than 50 per cent of the Joint Investor Participation for which Joint Investors are voting at a Joint Investors' Meeting or for which Joint Investors reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2 or (ii) if not relating to a Co-Investment Matter require the consent of Joint Debentureholders representing more than 50 per cent of the Joint Debentureholder Participation for which Joint Debentureholders are voting at a Joint Investors' Meeting or for which Joint Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2.
- 17.10** Quorum at a Joint Investors' Meeting or in respect of a Written Procedure only exists if a Joint Investor (or Joint Investors) representing at least 50 per cent of the Joint Investor Participation in case of a matter pursuant to Clauses 17.5 or 17.6 and a Joint Debentureholder (or Joint Debentureholders) representing at least 50 per cent of the Joint Debentureholder Participation in case of a matter pursuant to Clauses 17.7 or 17.8, and otherwise 20 per cent of the Joint Investor Participation or Joint Debentureholder Participation, as the case may be:
- (a) if at a Joint Investors' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 17.11** If a quorum does not exist at a Joint Investors' Meeting or in respect of a Written Procedure, the Issuer shall convene a second Joint Investors' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.2), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Joint Investors' or Joint Debentureholders' consent. The quorum requirement in Clause 17.10 shall not apply to such second Joint Investors' Meeting or Written Procedure.
- 17.12** A decision which affects only one series of Debentures shall only require the consent of a sufficient majority of the holders of Debentures of the affected series. A decision which gives or may give rise to a conflict of interest between the holders of different series of Debentures shall require the consent of a sufficient majority of the holders of Debentures of each series.
- 17.13** Any decision which extends or increases the obligations of the Issuer and/or the Parent, or limits, reduces or extinguishes the rights or benefits of the Issuer and/or the Parent, under the Terms and Conditions shall be subject to the Issuer's and/or the Parent's consent, as applicable.
- 17.14** Each Debentureholder and each PCP IV debentureholder has voting rights under these Terms and Conditions based on its *pro rata* share of the Joint Investor Participation or the Joint Debentureholder Participation, as relevant. Proventus AB has voting rights under these Terms and Conditions based on its *pro rata* share of

the Joint Investor Participation and, for the avoidance of doubt, only in relation to Co-Investment Matters.

- 17.15** A Debentureholder holding more than one (1) Debenture need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only and a PCP IV debentureholder holding more than one (1) debenture issued pursuant to the PCP IV Terms and Conditions need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.16** The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Joint Debentureholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Joint Debentureholders that consent at the relevant Joint Investors' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be. Consideration paid by the Issuer in accordance with this Clause 17.16 shall not constitute Permitted Costs.
- 17.17** A matter decided at a duly convened and held Joint Investors' Meeting or by way of Written Procedure is binding on all Debentureholders, Proventus AB, the Parent and the Participating Parties, irrespective of them being present or represented at the Joint Investors' Meeting or responding in the Written Procedure. The investors that have not adopted or voted for a decision shall not be liable for any damages that this may cause other investors.
- 17.18** All costs and expenses incurred by the Issuer for the purpose of convening a Joint Investors' Meeting or for the purpose of carrying out a Written Procedure shall be paid by the Issuer and constitute Permitted Costs.
- 17.19** Debentures or debentures issued pursuant to the PCP IV Terms and Conditions held by the Issuer, the Parent, PCP IV, PCP IV C, an Affiliate or any other person or entity owning any Debentures (irrespective of whether such person is directly registered as owner of such Debentures) that has undertaken towards the Issuer, the Parent, PCP IV, PCP IV C or an Affiliate to vote for such debentures in accordance with the instructions given by the Issuer, the Parent, PCP IV, PCP IV C or an Affiliate, shall not entitle to participation in decisions in respect of matters requiring Joint Investors' or Joint Debentureholders' consent, as applicable, or any voting rights at a Joint Investors' Meeting, and such debentures shall not be considered when calculating if the necessary majority has been achieved for a consent in accordance with these Terms and Conditions.
- 17.20** Information about decisions taken at a Joint Investors' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Joint Investors and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Joint Investors' Meeting or Written Procedure shall at the request of a Joint Investor be sent to it by the Issuer.
- 17.21** All decisions regarding the transactions contemplated by, and taken in accordance with, these Terms and Conditions shall be approved and consented to by the Parent in its capacity as shareholder of the Issuer (unless it is under a legal or similar obligation to act otherwise).

## **18. JOINT INVESTORS' MEETING**

- 18.1** The Issuer shall convene a Joint Investors' Meeting by sending a notice thereof to each Joint Debentureholder and, if the agenda includes any Co-Investment Matter, Proventus AB. If a Joint Debentureholder (or Joint Debentureholders) or Proventus AB has requested that a Joint Investors' Meeting be convened, such notice shall be sent no later than five (5) Business Days after receipt of the request (or such later date as may be necessary for technical or administrative reasons).
- 18.2** The notice pursuant to Clause 18.1 shall include (i) time for the meeting, (ii) place for the meeting (being in Stockholm, as notified by the Issuer), (iii) agenda for the meeting (including each request for a decision by the Joint Debentureholders or Joint Investors) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Joint Investors' Meeting. Should prior notification by the Joint Investors be required in order to attend the Joint Investors' Meeting, such requirement shall be included in the notice.
- 18.3** The Joint Investors' Meeting shall be held no earlier than 15 and no later than 30 Business Days from the Issuer's notice.

## **19. WRITTEN PROCEDURE**

- 19.1** The Issuer shall instigate a Written Procedure by sending a communication to (i) each such person who is registered as a Joint Debentureholder on the fifth (5) Business Day prior to the date on which the communication is sent and (ii) if the agenda includes any Co-Investment Matter, Proventus AB. If a Joint Debentureholder (or Joint Debentureholders) or Proventus AB has requested that a Written Procedure be instigated, such communication shall be sent no later than five (5) Business Days after receipt of the request (or such later date as may be necessary for technical or administrative reasons).
- 19.2** A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Joint Debentureholders or Joint Investors, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Joint Debentureholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Joint Debentureholder and/or Proventus AB must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 19.3** When the requisite majority consents of the total Investor Participation pursuant to Clauses 17.5 to 17.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 to 17.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. MISCELLANEOUS**

### **20.1 Currency**

All calculations, valuations, allocations and distributions in accordance with these Terms and Conditions shall be made in Euro and all fees to the Manager shall be payable in Euro.

### **20.2 Conflict of interest**

- 20.2.1 Any transactions or agreements between (i) PCP IV, PCP IV C, Proventus AB, an affiliate of Proventus AB or an Affiliate and (ii) the Issuer will be on an arm's length basis and requires the prior consent of the Joint Debentureholders, except for agreements relating to services or transactions contemplated by these Terms and Conditions and the PCP IV B Terms and Conditions, such as, for the avoidance of doubt, the PCP IV C Agreement.
- 20.2.2 The Issuer will provide the Joint Debentureholders adequate disclosure with respect to all actual or potential conflict of interest situations in relation to transactions and/or agreements with PCP IV, PCP IV C, the Parent or an Affiliate. The Joint Debentureholders' consent pursuant to Clause 17.7 is required for such transactions and/or agreements, which are not contemplated by these Terms and Conditions. Neither an investment programme permitted by Clause 20.2.5, nor the management by the Manager of the Portfolio, PCP IV or PCP IV C, shall constitute a conflict of interest for the Manager or an Affiliate.
- 20.2.3 Neither the Parent nor any Affiliate shall make any investments in corporate high-yield bonds or high-yield loans (other than on behalf of the Issuer) or co-invest alongside the Issuer before the Final Investment Date, unless the Joint Debentureholders have given their consent pursuant to Clause 17.7 to such investment.
- 20.2.4 Notwithstanding Clause 20.2.3, investment professionals employed by the Manager and pension funds controlled the Manager may invest in corporate high-yield bonds or high-yield loans (other than on behalf of the Issuer) up to a total of EUR 2,500,000, provided that (i) such investing party shall act in accordance with the Manager's trading policy, *inter alia* prohibiting front-running and market abuse, and policy for personal account trading and (ii) any fees payable in relation to any such Investment shall only be for the account of the Issuer and not any investing party.
- 20.2.5 The Manager may not (and shall procure that the Affiliates do not) manage investment programmes in respect of Investments other than (i) the existing investment programmes in Proventus Capital Partners II AB (publ), Proventus Capital Partners III AB (publ), Proventus Capital Partners Alpha AB (publ), PCP IV and PCP IV C, (ii) any investment programmes in respect of investments solely in the Issuer and (iii) any new investment programme which is managed by a separate team which does not include any Key Executive and has a materially different strategy compared to the Issuer and (iv) as set out in, and in accordance with, these Terms and Conditions, unless at least 85 per cent of the Total Initial Commitment has been invested (or been committed to be invested by the Issuer), at the time of the commencement of the management of such other investment programme. For sake of clarity, an establishment and marketing of a new investment programme shall not



be regarded as management of an investment programme, provided that no funds are paid or investments are made in such programme.

- 20.2.6 The Issuer may not issue any Debentures until 85 per cent of the available participation has been invested (or been committed to be invested) in the existing investment programme in Proventus Capital Partners III AB (publ).

### **20.3 Applicable laws**

- 20.3.1 The Issuer and the Manager are, and will continue to be, in compliance with the AIFM Act and all other laws applicable to the Issuer and/or the Manager, including but not limited to anti-corruption, anti-terrorism and money-laundering laws.
- 20.3.2 Notwithstanding any provision of these Terms and Conditions to the contrary, the Issuer and the Manager shall be authorised to take such action as they determine to be necessary or advisable for them to comply with all laws applicable to them.

### **20.4 Co-investments**

The Manager may set up one or several independent co-investments programmes in order to offer co-investment rights to the Joint Debentureholders, Proventus AB, the Parent and Affiliates in relation to Investments which are too large for the Issuer, PCP IV and PCP IV C combined. When such a programme is established all Joint Debentureholders at that time shall be offered the opportunity to participate. For sake of clarity, investments made by (i) PCP IV and (ii) Proventus AB and the Participating Parties, through PCP IV C, alongside the Issuer as set out in Clause 7.1 (*Structure*) shall not be seen as a set-up of a co-investment programme under this Clause 20.4.

### **20.5 Period of limitation**

- 20.5.1 The right to receive repayment of the Participation Loan Amount shall be time barred and become void ten (10) years from the Final Repayment Date. The right to receive payment of Interest shall be time barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Debentureholders right to receive payment has been time barred and become void.
- 20.5.2 If such term of limitation periods are duly interrupted, in accordance with the Swedish Act on Limitations (*preskriptionslag 1981:130*), a new limitation period of ten (10) years with respect to the participation loan, and of three (3) years with respect to Interest payments will commence, in both cases calculated from the date of interruption of the limitation period as such date is determined pursuant with the provisions of the Swedish Act on Limitations.

### **20.6 Force Majeure and limitation of liability**

- 20.6.1 The Manager shall not have any liability to the Debentureholders for any loss suffered by the Debentureholders, which arises out of any action or inaction of the Manager or the Board of Directors, unless such course of conduct constituted fraud, wilful misconduct or negligence on the part of the Manager in relation to the Debentureholders, or a breach of these Terms and Conditions.

- 20.6.2 Neither the Manager, the Issuer nor any member of the Board of Directors shall be liable for any loss suffered by the Debentureholders, which arises out of their respective managerial and/or commercial decisions, actions or inactions under, or in connection with, these Terms and Conditions, unless such decisions, actions or inactions constituted fraud, wilful misconduct or negligence, or a breach of these Terms and Conditions.
- 20.6.3 Neither the Issuer, any member of the Board of Directors, the Manager nor the Parent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority (other than if such measure has been taken due to any act or omission of the Issuer or the Manager), or war, strike, lockout, boycott, blockade or any other similar circumstance.
- 20.6.4 The provisions in this Clause 20.6 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **21. NOTICES**

- 21.1** Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch; and
  - (b) if to the Debentureholders, shall be given at their addresses as registered with the CSD on the fifth (5) Business Day prior to dispatch.
- 21.2** Any notice or other communication made by one person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter and will only be effective:
- (a) if by way of courier or personal delivery, when it has been left at the address specified in Clause 21.1; or
  - (b) if by way of letter, when it has been left at the address specified in Clause 21.1 or three (3) Business Days after being deposited in the post postage prepaid in an envelope addressed to the address specified in Clause 21.1.
- 21.3** Failure to send a notice or other communication to a Debentureholder or any defect in it shall not affect its sufficiency with respect to other Debentureholders.

## **22. GOVERNING LAW AND JURISDICTION**

- 22.1** These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 22.2** Any dispute, controversy or claim arising out of or in connection with these Terms and Conditions, or the breach, termination or invalidity thereof, shall be finally

settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three (3) arbitrators. The place of arbitration shall be in Stockholm and the language to be used in the arbitral proceedings shall be English unless the arbitral tribunal decides otherwise.

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WE HEREBY CERTIFY THAT THE ABOVE TERMS AND CONDITIONS ARE BINDING UPON OURSELVES.

Place: Stockholm  
Date: March 23, 2021

PROVENTUS CAPITAL PARTNERS IV B AB (publ)

\_\_\_\_\_  
Anders Thelin

\_\_\_\_\_  
Daniel Sachs

\_\_\_\_\_  
We hereby undertake to act in accordance with these Terms and Conditions to the extent they refer to us, and to use our best endeavours to procure that the Issuer and PCP IV C (to the extent applicable) comply with these Terms and Conditions.

Place: Stockholm  
Date: March 23, 2021

PROVENTUS CAPITAL MANAGEMENT AB

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Anders Thelin

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Daniel Sachs