



**BAYPORT MANAGEMENT LTD**

**PROSPECTUS REGARDING LISTING OF  
MAXIMUM SEK 1,500,000,000  
SENIOR UNSECURED FIXED RATE BONDS  
2015/2018**

**ISIN: SE0007577358**

**20 November 2015**

## Important information

This prospectus (the “**Prospectus**”) has been prepared by Bayport Management Ltd (the “**Company**”), registration number 54787/C1 GBL, in relation to the application for listing of the Company’s maximum SEK 1,500,000,000 senior unsecured fixed rate bonds 2015/2018 with ISIN SE0007577358, of which SEK 1,100,000,000 were issued on 23 October 2015 (the “**Bonds**”) (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at Nasdaq Stockholm (“**Nasdaq Stockholm**”). References to the Company, Bayport or the Group refer in this Prospectus to Bayport Management Ltd and/or its subsidiaries, unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor and references to “USD” refer to United States dollars.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

This Prospectus will be available at the Swedish Financial Supervisory Authority’s web page ([www.fi.se](http://www.fi.se)) and the Company’s web page ([www.bayportfinance.com](http://www.bayportfinance.com)), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section 1 (*Risk factors*) below.

This Prospectus shall be read together with all documents that are incorporated by reference (see section 6 (*Overview of financial reporting and documents incorporated by reference*) below) and possible supplements to this Prospectus.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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## **1 Risk factors**

*Investing in the Bonds involves inherent risks. The financial performance of the Company and the Group and the risks associated with the Group's business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented in this section are not exhaustive as other risks not known to the Company or risks arising in the future may also come to adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors herein are not ranked in order of importance. Potential investors should carefully consider the information contained in this Prospectus and make an independent evaluation before making an investment decision.*

### **1.1 Company and market specific risks, etc.**

#### *1.1.1 Political risks*

The Group operates in a number of countries where political instability may lead to a slowdown in levels for origination in that particular country. These countries are subject to greater political, economic and social uncertainties than countries with more developed institutional structures and the Group is therefore subject to significant political risks. Changes in legislation or other regulations related, for instance, to foreign ownership, state participation, taxes, allocation of licenses and concessions, customs duties or exchange rates can affect the Group's operations or results. There is a risk that an increased political instability in any country where the Group operates as well as the Company's failure to protect against such risks have a material adverse effect on the Company's business, financial position and results of operations or may even require the Group to change or discontinue existing products, services, businesses or business models in the affected region.

#### *1.1.2 Macro-economic risks*

The Group operates in a large number of countries and its operations are therefore dependent on global economic developments as well as conditions that are unique to certain countries, regions and/or industry branches. General market conditions could affect the inclination and the capability of existing and potential customers to assume indebtedness or make deposits. There is a risk that a change in the macro-economic conditions in the countries of operation could lead to changed employment conditions for the Group's customers and have a material adverse effect on the Group's operations. Weak global or regional economic trends may result in the Group growing and developing at a lower rate than expected and this could have a negative effect on the Company's business, financial position and results of operations.

#### *1.1.3 Loss of a deduction code*

The Group relies on the ability to collect directly from the payroll of its customers in order to service the outstanding loans, which is facilitated through deduction codes. The Company is allocated a deduction code in order to be able to collect directly from an employee's (the borrower's) payroll. The loss of a deduction code would result in any new loans to customers needing to be collected via an alternative mechanism other than payroll. Existing loans would

continue to be collected off the payroll until such time as they have been paid off in full. Without the Company's possibility to collect directly from the borrower's payroll there is a risk that the company would need to reprice the loan offerings due to the increased collection risk and that the number of non-performing loans on these new loans would increase. The loss of a deduction code could therefore have a material adverse effect on the Company's business, financial position and results of operations with regards to new business written following such an event.

#### *1.1.4 Employees, organizational risks and operational risks*

The continuing success of the Group is largely dependent on a number of experienced employees with specialist skills. Employees important for the Group are both senior executives and other employees within the different business areas. The business operations of the Group are exacting on employees' knowledge of relevant legislation and regulations and the development of knowledge and experience is both time and cost consuming. A significant loss of such employees could adversely affect the Group's operations and the conditions and possibilities for continuing growth and profitability. Competition for skilled staff in the Group's different business areas is high and may increase in the future. The Group's future development and expansion will be dependent on its ability in recruiting and keeping skilled employees and senior executives.

High employee turnover means that many new employees need to be trained. Employees' potential lack of knowledge and experience could imply a significant risk for the Group's operations, but also wilful legal breach or neglect of regulations could harm the business. Fraud and other improper actions by employees are not uncommon within the financial sector and have occurred also in the Group companies. Irregularities could have a considerably adverse impact on earnings and reputation as well as negatively affect new and existing customers' confidence and make it difficult to gain new commissions. Consequently, irregularities by employees could have a material adverse effect on the Company's business, financial position and results of operations.

In the context of the Group's current operations, the Group may incur losses due to disruption, failure or other ineffectiveness of procedures, internal controls or other reporting or administrative systems used in its operations. Lack of procedures and lack of internal controls may lead to that the management loses control over corporate governance, which could have a material adverse effect on the Company's business, financial position and results of operations.

#### *1.1.5 IT-system*

The Group's business areas all require functioning information and data-processing systems for sales, administration, distribution, internal control and other functions necessary for the business operations. The Company is exposed to the risk that systems fail or do not function properly, which could damage the operations and cause financial losses and liability in relation to customers as well as harm the reputation and market trust.

#### *1.1.6 Trust and reputation*

The Group's business is dependent on customers', finance and other suppliers' and other market players' trust in the Company and its subsidiaries. A damaged reputation or reduced trust for the Company or any of its subsidiaries could have an adverse effect on the Group's future growth and development. Moreover, the Group's relations with the relevant country's Financial Supervisory Authority as well as with other authorities are of significant importance, since the Group

companies' operations are, to a large extent, dependent on concessions, licenses and other decisions of authorities.

The trust in the Company and the Group could be damaged for instance due to inadequate product and services quality, insufficient internal policies and guidelines regarding risk management, unreliable IT-systems as well as due to irregularities by employees.

#### *1.1.7 The Company is a holding company*

The Company is a holding company and holds no significant assets other than investments in its subsidiaries. The Company is thus dependent upon receipt of sufficient income related to the operation of and the ownership in its subsidiaries. The Company is exposed to the risk that such income, or the receipt of such income, decrease, which could have a material adverse effect on the Company's business, financial position and results of operations as well as its ability to meet financial obligations.

#### *1.1.8 Different legal systems and legal proceedings*

Since the Group's business activities are conducted in several different countries, the Group is exposed to a variety of different laws, regulations (including anti-trust, banking, acquisition and tax), rules, agreements and guidelines, which also can be applicable to the Group's products and services. There is a risk that any changes thereof have a significant adverse effect on the Company's business activities.

Further, the Company and its subsidiaries have entered into a number of agreements with customers, finance suppliers and other third parties domiciled in different countries and the agreements are governed by the laws of various jurisdictions. There is a risk that the Company or its subsidiaries will not be able to enforce all of their rights under these agreements. If the Company or its subsidiaries are unable to enforce their rights under the agreements, this could adversely affect the Company's business, financial position and results of operations.

#### *1.1.9 Loss of money licenses or business license*

In most countries of operation, the Group is dependent on money licenses, business licenses or other permits or permissions from local authorities to conduct its business. The Company is exposed to the risk that any such license, permit or permission is not renewed or revoked, which would have a material adverse effect on the Group's business, financial position or results of operations.

#### *1.1.10 Exposure to legislative and regulatory changes*

There is a risk that amended legislation or regulatory measures relating to, *inter alia*, banking, acquisition and tax laws or new case law have negative consequences for the Group. The financial services sector is subject to extensive regulations through legislation and other rules and regulations. As many of the Group companies are required to hold several permits, licenses and concessions to carry out their businesses, the Group's business is under supervision of the authorities in the various countries in which the Group operates. The legal framework in such countries is continuously reviewed and updated. Adoption of new legislation, regulations, legal or administrative proceedings or changes in the judicial application may force the Group to change or discontinue existing products, services, businesses or business models or incur significant expenses or liabilities or prohibit the Group to carry on the licensed operations. Furthermore,

inspections and supervision from authorities could lead to penal charges or ultimately that licenses or concessions could be withdrawn. Costly adjustments and withdrawn licenses could have a material adverse effect on the Company's business, financial position and results of operations. Legal measures could also cause significant damage on the Group's reputation, which in turn could negatively affect the future development of the Group's operations.

#### *1.1.11 Risks related to taxes*

The Company operates its business through its subsidiaries in each of the geographic markets in which it operates. The business is conducted in accordance with the Group's interpretation of applicable laws, tax treaties, regulations and requirements of the tax authorities in the relevant countries. However, if the Group's interpretation of applicable laws, tax treaties, regulations, or administrative practice would be incorrect, or that such rules currently in force become changed, possibly with retroactive effect, such legislative changes or decisions by tax authorities may impair the present or previous tax position of the Group and may as a consequence have a material adverse effect on its business, financial position or results of operations.

#### *1.1.12 Changed accounting rules*

The Company's business is affected by the accounting rules that, from time to time, are applied in the countries where the Group conducts its business, including for example IFRS and other international accounting rules. This means that the Group's accounting, financial reporting and internal control, as well as the Terms and Conditions, may in the future be affected by and may have to be adapted to changed accounting rules or a changed application of such accounting rules. This might negatively affect the Group's accounting, financial reporting and internal control and might also affect the Company's accounted earnings, balance sheet and equity, which could have a material adverse effect on the Company's business, financial positions and results of operations.

#### *1.1.13 Credit risks and risks relating to counterparties*

The Group is exposed to credit risks and risks relating to counterparties. These risks concern the risk of losses if the counterparty does not fulfill its obligations. The Group's credit and counterparty risks consist of exposures to commercial counterparties and financial counterparties. The Group's commercial credit and counterparty risk primarily consist of arrears which are distributed over a large number of counterparties. Credit and counterparty risks relating to financial counterparties are limited to financial institutions with high credit ratings.

The Group's primary credit and counterparty risk is that the customers cannot repay their debt under the individual loan agreements. Furthermore, the loans offered by the Company's subsidiaries to its customers are unsecured and in most jurisdictions in which the subsidiaries operate the involvement of public courts are time-consuming and expensive. Furthermore, enforcement of court orders is unreliable in several jurisdictions of operation. The aforementioned judicial conditions and the relatively small amounts granted under each of the individual loan agreements has resulted in that the Group seldom or never pursue debts under the individual loan agreements which for various reasons have not been deducted from the customer's pay roll through judicial proceedings. Although, in certain markets where the Group operates, all loans for a longer time period than six months include a mandatory "Credit Life Policy" which insures the Group against death, disability, dreaded disease or retrenchment of the customer, it is a risk that

the aforementioned risks would have a material adverse effect on the Company's business, financial position and result of operations.

#### *1.1.14 Disputes*

The Company and its subsidiaries may become involved in disputes with or receive claims from third parties, such as customers, suppliers and other business partners. Such disputes could be time consuming and costly and there is a risk that the outcome will be unsuccessful for the Group. Furthermore, the costs associated to such disputes or claims can be difficult or even impossible to foresee. Disputes could, therefore, have a material adverse effect on the Company's business, financial position and result of operations.

#### *1.1.15 Competition*

The Group operates in a competitive market. The Group's future possibilities to compete are, among other things, dependent upon the Group's ability to anticipate future market changes and trends, and to rapidly react to existing and future market needs, which may result in increased costs or require price reductions or changes of the Group's business model. Increased competition from existing and new market participants as well as deteriorated competition possibilities could have a material adverse effect on the Group's business, financial position and result of operations.

#### *1.1.16 Risk related to acquisitions*

The Company has historically carried out several acquisitions and could continue to grow through acquisitions also in the future ("**New Acquisitions**"). New Acquisitions are always subject to a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licenses and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental matters and other aspects. These risks may be greater, more difficult or more extensive to analyze in certain countries or regions where the Group is active.

A significant part of the acquisition process is the due diligence process. There is a risk that a due diligence of a New Acquisition will not reveal all facts that may be of relevance. Moreover, financial service companies are often difficult to value and an incorrect valuation could result in an incorrect purchase-sum and ultimately imply that expected values are not achieved. In connection with New Acquisitions, there may be liabilities that the Company failed to discover or were unable to quantify in its due diligence. The representations, warranties and indemnities contained in the agreements for the New Acquisitions may be limited and the Company's ability to seek remedies for breach of such provisions following completion of the New Acquisitions could prove to be limited.

Integration of the operations of New Acquisitions with the Company's existing business may be a complex, time-consuming and costly process. Failure to successfully integrate New Acquisitions and their operations in a timely manner may have a material adverse effect on the Company's business, financial position and results of operations. The difficulties of integrating the New Acquisitions include, among other things:

- (i) operating a larger organization;
- (ii) operating in a new jurisdiction;
- (iii) coordinating geographically disparate organizations, systems and facilities;

- (iv) adapting to additional regulatory and other legal requirements;
- (v) integrating corporate, technological and administrative functions; and
- (vi) diverting management's attention from other business concerns.

The process of integration could cause an interruption of, or a slowdown in, the activities of the Company's business. Members of the management team may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the business. If the management is not able to effectively manage the integration process, or if any business activities are interrupted as a result of the integration process, the Company's business could suffer.

The Company expects that New Acquisitions will generate specific synergies, *e.g.* in relation to customer base, distribution network and product offerings. Achieving the benefits of New Acquisitions depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities from integrating the New Acquisitions into its existing business.

The risks set out above and below may lead to that the Company fail to realize any of the anticipated benefits of New Acquisitions. If such expected synergies are not obtained, this may adversely affect the Company's business, financial position and result of operations. Finally, growth through acquisitions requires financial strength and often also external financing, which may not be available or only available on unfavorable terms in the future.

#### *1.1.17 Insurance*

The Group keeps the business insured through different insurance policies such as property and professional liability insurances. However, there is a risk that the Group's current insurance protection cannot be maintained with acceptable terms or at all or that future demands will not be fully covered by the Group's insurance protection, which could have an adverse effect on the Company's business, financial position and results of operations.

#### *1.1.18 Liquidity and refinancing risks*

The Group is exposed to liquidity and refinancing risks, which refer to costs that may increase and that opportunities may be limited when loans are refinanced, and that payment obligations may not be met due to insufficient liquidity or difficulties in obtaining financing.

The Group's business is capital intensive. Access to liquidity is a fundamental prerequisite for developing a successful loan business. The Group plans ahead using forecasting models in order to anticipate any change in funding that may be required well in advance of the actual need. Any forecasting models include a certain level of estimations and expectations on future conditions and there is a risk that such estimations and expectations will not materialize or prove to be incorrect. If the Company's liquidity sources prove not to be sufficient, there is a risk that the Company will only be able to meet its payment obligations by raising funds on terms which may significantly increase its financing costs or that the Company will not be able to meet its payment obligations at all and as a result thereof default under material agreements entered into by the Company, which could have a material adverse effect on the Company's business, financial position and result of operations.

### *1.1.19 Interest rate risk*

Interest rate risks refer to risks that result from changes in the market interest which may materially adversely affect the Group's net interest income. Interest rate risks are attributable to the development of the current interest rate levels. How quickly a change in interest rates affects the net interest income depends on the maturity of the financial assets and financial liabilities. Extreme fluctuations in interest rate may consequently have a material adverse effect on Company's business, financial position and results of operations.

### *1.1.20 Exposure to currency risks*

The Group operates in several countries and as a result, generates revenues, incurs costs and grants loans within the Group and to customers in a number of currencies. Consequently, the Group's results of operations are subject to currency exchange rate fluctuations. Because the consolidated financial statements of the Company are prepared in USD, the Group also faces a currency translation risk to the extent that the assets, liabilities, revenues and expenses of the Company or its subsidiaries are denominated in currencies other than USD. For example, the financing of the Company and the interest costs related to the Company's bonds are in Swedish kronor.

Consequently, there is a risk that increases and decreases in the value of the USD versus local currencies of the Company, its bonds or its subsidiaries will affect the amount of these items in the Group's consolidated financial statements, even if their value has not changed in the original currency.

## **1.2 Risks relating to the Bonds**

### *1.2.1 Credit risks*

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively.

### *1.2.2 Refinancing risk*

The Company may be required to refinance certain or all of its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position are favourable, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

### *1.2.3 Interest rate risks*

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. As the market rate of interest is largely dependent on the Swedish and international economic development, this is a risk factor which the Company cannot control.

Hence, investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

#### *1.2.4 Liquidity risks*

The Company has undertaken to list the Bonds on the corporate bond list of Nasdaq Stockholm within sixty calendar days after the issue date of the Bonds. It is further the Company's intention to complete such listing within thirty calendar days after the issue date of the Bonds. However, there is a risk that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm, there is not always active trading in the securities, so there is a risk that the market for trading in the Bonds will be illiquid even if the Bonds are listed. This may result in the fact that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

#### *1.2.5 The market price of the Bonds may be volatile*

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial position or prospects.

#### *1.2.6 Structural subordination and insolvency of subsidiaries*

All assets are owned by and all revenues are generated in subsidiaries of the Company. The subsidiaries are legally separated from the Company and have no obligation to make payments to the Company of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. There is a risk that the Group and its assets would not be protected from actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Company could result in the obligation of the Company to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings

of the Group, which could have a material adverse effect on the Company's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

#### *1.2.7 Unsecured obligations*

The Bonds represent an unsecured obligation of the Company. This means that in the event of bankruptcy, re-organization or wind-up of the Company, the holders of the Bonds normally receive payment after any priority creditors have been fully paid.

Each investor should be aware that there is a risk that an investor in the Bonds loses all or part of their investment if the Company becomes bankrupt, carries out a re-organization or is wound-up.

#### *1.2.8 Risks related to early redemption and put option*

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount of the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) upon the occurrence of a "Change of Control Event" (*i.e.*, the occurrence of an event or series of events whereby one or more persons, not being any of the present shareholders, acting together, acquire control over the Company and where "control" means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Company, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company). There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, *e.g.*, by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

#### *1.2.9 No action against the Company and bondholders' representation*

In accordance with the Terms and Conditions, the agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Company and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the agent in such matters

could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

#### *1.2.10 Bondholders' meetings*

The Terms and Conditions will include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

#### *1.2.11 Restrictions on the transferability of the Bonds*

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. A holder of the Bonds may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is the bondholder's obligation to ensure, at own cost and expense, that its offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

#### *1.2.12 Risks relating to the clearing and settlement in Euroclear's book-entry system*

The Bonds will be affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. In order to receive payments under the Bonds, investors are dependent upon the functionality of Euroclear's account-based system, which is a risk factor that the Company cannot control.

#### *1.2.13 Amended or new legislation*

The Terms and Conditions are based on Swedish law in force at the issue date for the Bonds respectively. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

#### *1.2.14 Influence of major shareholders*

The Company has several larger shareholders, who may as a result of their influence affect the Company, *inter alia*, on matters that are subject to approval at the shareholders' meeting. There is a risk that the interests of these major shareholders conflict with the interest of the bondholders and that such shareholders, through their influence, affect the Company in a way that is not in the best interest of the bondholders.

#### *1.2.15 Conflict of interests*

The issuing agent and lead managers have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may

arise as a result of the issuing agent and lead managers having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## **2 Responsible for the information in the Prospectus**

The Company issued the Bonds on 23 October 2015. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company is responsible for the information given in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm on 20 November 2015

**BAYPORT MANAGEMENT LTD**

*The board of directors*

### 3 The Bonds in brief

*This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see section 6 (Overview of financial reporting and documents incorporated by reference) below), before a decision is made to invest in the Bonds. The full Terms and Conditions can be found under section 8 (Terms and Conditions for the Bonds) below. Concepts and terms defined in section 8 (Terms and Conditions for the Bonds) are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.*

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Company. The board of directors of the Company resolved to issue the Bonds on 20 October 2015. The purpose of the Bond Issue was to raise funds to be used for general corporate purposes, including acquisitions and refinancing of existing debt, including outstanding bonds issued by the Company. The Issue Date for the Bonds was 23 October 2015. The Bonds will mature on 23 October 2018.

The aggregate Nominal Amount of the Bonds issued on the Issue Date was SEK 1,100,000,000 represented by Bonds denominated in SEK with ISIN SE0007577358, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent. of the Nominal Amount. The Bonds could also be paid for in kind by delivery of Existing Bonds, subject to subscriptions from Existing Bondholders in accordance with the Existing Bondholders' Roll-over, as specified in a separate application form. Applicants delivering Roll-over Bonds received, in cash, on or about the Issue Date accrued but unpaid interest on the Roll-over Bonds up to, and including, the Issue Date. The Company have chosen not to issue the full amount of Bonds on the Issue Date and may, provided that no Event of Default is continuing or would result from such issue, choose to issue the remaining amount of Bonds at one or more subsequent dates. The price of Bonds issued in a Subsequent Bond Issue may be set at a discount or at a higher price than the Nominal Amount. As of the date of this Prospectus, SEK 1,100,000,000 of the bond loan has been issued.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear's book-entry system.

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all direct, unconditional, unsecured and unsubordinated obligations of the Company without any preference among them.

The Company shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued and unpaid Interest on the Final Redemption Date, unless previously redeemed, repaid or repurchased and cancelled in accordance with Clause 9 (*Early redemption by request of the Company*), Clause 10 (*The Company's and the other Group Companies' purchase of Bonds*), Clause 11 (*Mandatory repurchase due to a Change of Control Event (put option)*) or Clause 13 (*Acceleration of the Bonds*) of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds on any Early Redemption Date (provided that the Existing Bonds have been redeemed in full) at a redemption price equal to the relevant Early Redemption Amount together with accrued interest (see further Clause 9 (*Early redemption by request of the Company*) of the Terms and Conditions). Upon a Change of Control Event, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased and the Company shall upon request by a Holder redeem the relevant Bonds at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 11 (*Mandatory repurchase due to a Change of Control Event (put option)*) of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

The Bonds bear interest from, but excluding, the Issue Date up to, and including, the relevant Redemption Date at fixed rate of twelve per cent. per annum. The interest is paid annually in arrears on each Interest Payment Date and is calculated on a 30/360-days basis. The Interest Payment Dates are 23 October each year (with the first Interest Payment Date on 23 October 2016 and the last Interest Payment Date being the Final Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Intertrust CN (Sweden) AB (previously CorpNordic Sweden AB), registration number 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden, is initially acting as Agent in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without separate authorisation from the Holders and without first having to obtain the Holders' consent, the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Holders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request of the Agent.

Each of the Company, the Agent and Holders representing at least ten per cent. of the total outstanding Nominal Amount, may request that a Holders' meeting is convened or request a procedure in writing among the Holders (see further Clause 15 (*Holders' meeting and procedure in writing*) of the Terms and Conditions). Such Holders' meeting or procedure in writing may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

An agreement was entered into between the Agent and the Company on or about the Issue Date regarding, *inter alia*, the remuneration payable to the Agent. The Agent agreement is available at the Agent's office. The rights and obligations of the Agent are set forth in the Terms and Conditions which are available at the Company's web page ([www.bayportfinance.com](http://www.bayportfinance.com)).

If both the Nominal 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 all fees, costs and expenses, secondly towards payment of interest and thirdly towards payment of the Nominal Amount.

The Bonds are freely transferrable and trading can occur from the Issue Date. Holders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for doing business). Each Holder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 1,100. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 24 November 2015. The total expenses related to the admission to trading are estimated to amount to SEK 150,000. The Terms and Conditions include an undertaking by the Company to ensure (i) that the Bonds are listed on Nasdaq Stockholm not later than sixty calendar days after Issue Date (whereas the intention of the Company is to list the Bonds on Nasdaq Stockholm within thirty calendar days after Issue Date) and to take all measures required to ensure that the Bonds continue being listed on Nasdaq Stockholm for as long as any Bonds are outstanding, and (ii) that, upon any Subsequent Bond Issue, the volume of Bonds listed on Nasdaq Stockholm promptly, and not later than ten Banking Days after the relevant issue date, is increased accordingly. For the avoidance of doubt, Bonds issued in any Subsequent Bond Issue may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

## 4 The Company and its operations

### 4.1 Introduction

The Company, Bayport Management Ltd, was incorporated on 10 September 2001 in British Virgin Islands and continued as a Mauritian company with effect from 4 March 2005. The Company was registered as a private company limited by shares on 2 March 2005 under the Mauritian Companies Act 2001 with registration number 54787 C1/GBL. The Company further holds a Category 1 Global Business Licence, issued by the Financial Services Commission of the Republic of Mauritius on 3 March 2005, in accordance with the Mauritian Financial Services Act 2007 and the Financial Services (Consolidated Licensing and Fees) Rules 2008. On 28 July 2011 the Company converted into a public limited liability company. The Company's operations are regulated by the Mauritian Companies Act 2001.

The Company's Registered Office is c/o DTOS Ltd, 10th Floor, Raffles Tower, 19 Cyber City, Ebene, Republic of Mauritius. The Company's headquarter is located at Ebene Skies, 3rd Floor, Rue de L'Institut, Ebene, Republic of Mauritius. As of 8 October 2015, the total number of permanent employees and commissioned agents in the Company and the Company's subsidiaries is approximately 7,196.

### 4.2 Share capital, shares, ownership structure and governance

The shares of the Company are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of USD 30,677.013, divided into 30,677,013 shares, each share of USD 0.001 par value.

The Company's shares are listed by way of introduction on the Official Market of the Stock Exchange of Mauritius Ltd. However, the listing is a technical listing and the shares are not being traded.

The shareholders of the Company as of the date of this Prospectus are set out in the table below.

Shareholder	No. of shares
Etienne Henry Coetzer* <sup>1</sup>	134,000
Kinnevik New Ventures AB*	7,428,902
Elsworthy Holdings Ltd*	3,672,000
Grant Colin Kurland*	2,863,057
Kasumu Ltd*	2,582,000
Bryan Arlow** <sup>2</sup>	60,609
Ted Kristensson**	37,481
Paul Rodgers**	27,762
Nicole Sanderson**	5,594
Paul Silverman**	18,648
David Rajak**	18,648

Groundsel Investments Ltd*	1,517,707
Takwa Holdco Limited*	5,621,135
Vladimer Gurgenzidze*	42,158
Government Employees Pensions Fund (“GEPF”) represented by the Public Investment Corporation (SOC) Limited*	6,377,550
Justin Chola*	242,000
David Rogers**	27 762
<b>Total</b>	<b>30,677,013</b>

1. The shareholders marked with “\*” are parties to the shareholders’ agreement in respect of the Company as further described in section 4.8 (*Shareholders’ agreements*) below.

2 The shareholders marked with “\*\*” hold shares issued under the employee long term incentive plan as further described in section 4.8 (*Shareholders’ agreements*) below.

In 2015, GEPF (Government Employees Pension Fund) in South Africa invested USD 149,000,000 for (by then) 20.81 per cent. of the total number of issued shares represented by Public Investment Corporation (PIC). PIC is wholly owned by the South African Government and invests funds on behalf of South African public sector entities.

The Company has several large shareholders, primarily Kinnevik New Ventures AB holding 24 per cent. and GEPF (represented by the PIC) holding 20.8 per cent. of the total number of issued shares. The shareholder base of the Company also consist of several other large shareholders, it is however not considered that these shareholders hold a significant premium. In addition, there are significant minority protection rights in the shareholders’ agreement which further limit the influence of these major shareholders.

The Company is the parent company of the Group with 24 direct and indirect subsidiaries, located in the Republics of Botswana, Colombia, Ghana, Mauritius, Mozambique, Rwanda, South Africa, Tanzania, Uganda, Mexico, Colombia and Zambia as well as in the Netherlands and the United Kingdom. The Company’s direct or indirect holdings in its subsidiaries are in no case less than 60 per cent. The Company holds no significant assets other than the investments in the operational Group companies and is therefore dependent upon the receipt of income related to the operation of and the ownership in these companies.

The Company runs the Group office which determines the regulatory, funding, treasury and compliance requirements across the Group. The Company has an oversight role in the Group in ensuring that the operations meet the standards of responsible corporate behaviour relating to the Group’s lending practice.

### **4.3 Business and operations**

In accordance with the constitution of the Company, adopted on 29 June 2011, the objects of the Company are:

- (i) to engage in global business as permitted under the Financial Services Act 2007, the Act and any other laws for the time being in force in the Republic of Mauritius;

- (ii) to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stocks and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company; and
- (iii) to do all such other things as are incidental to, or the Company may think conducive to the conduct, promotion or attainment of the objects of the Company.

The Group started its operations in Zambia in 2002 when introducing a pay-roll-deduction lending scheme in co-operation with the mining labour union. The Group's activities in Zambia later evolved through lending to employees of the Zambian civil service. The Group continued its operation by introducing its business in several African countries and later in South America.

The majority of the subsidiaries of the Group are involved in the provision and underwriting of unsecured term finance to the employed mass market and earn their revenue in the form of interest incomes and administration fees relating to the loans to their customers. The subsidiaries mainly provide loans to people employed by the government in the respective countries. The repayment of the individual loans is carried out either through direct deduction from the employees' pay-roll in accordance with agreements concluded between the subsidiaries and the employees (for all countries with the exception of South Africa) or through direct deduction from the customers bank account in accordance with agreements concluded between the subsidiary and the customer (in South Africa). No other security is provided by the customer under the individual loan agreements and any outstanding amount under the loan agreements may therefore not be recovered from the payroll if the customer has left his/her employment or is dismissed. In these cases, the subsidiaries can collect from the customers' bank account. All subsidiaries of the Group offer credit life insurances, which are underwritten by local insurance companies, to its customers.

In 2015, the Company implemented a transactional banking solution in Ghana, which is not a funding tool, but a client retention strategy to retain customers within the Company's current business, with a view to rolling it out in other jurisdictions in which the Company operates. Via this service, the customers have access to a savings account, can borrow or make money transfers and also buy certain insurances.

#### **4.4 Litigation**

During the previous twelve months, the Company has not been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

#### **4.5 Material agreements**

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company's ability to meet its obligations to the bondholders.

#### **4.6 Credit ratings**

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

#### **4.7 Significant adverse changes and recent events**

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

Except for the issuance of the Bonds, and the investment in the Company by GEPF (represented by PIC) described in section 4.2 (*Share capital, shares, ownership structure and governance*) above, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

#### **4.8 Shareholders' agreements**

The major shareholders of the Company (as indicated by the table in section 4.2 (*Share capital, shares, ownership structure and governance*) above) have on 10 June 2015 entered into a shareholders' agreement in respect of the Company. This shareholders' agreement replaces in its entirety the previous shareholders' agreement, and governs the on-going management and affairs of the Company, including, *e.g.*, the formation and procedures of the board of directors, shareholders' meetings, financing and transfers of shares. The only substantial difference between the previous shareholder's agreement and the new shareholders agreement is the inclusion of the GEPF (represented by PIC) as a shareholder and certain consequential changes which arise therefrom.

By a unanimous resolution of the shareholders and directors of the Company dated 31 October 2012, the shareholders and directors have respectively approved a resolution authorising the directors of the Company to issue shares under an employee long term incentive plan. Under the long term incentive plan, shares may be purchased by employees and directors of the Group from their own funds or through loans made by the Company. In addition, the Company may award shares for no consideration subject to the satisfaction of performance targets. The maximum number of shares available under the plan may not exceed five per cent. of the outstanding share capital of the Company. As of the date of this Prospectus, 238,662 shares had been issued under the plan.

The employees holding shares under the employee long term incentive plan have not adhered to the shareholders' agreement described above. The rationale behind that is that not all clauses in the shareholders' agreement apply to the participants of the long term incentive plan. However, each participant has entered into an award agreement with the Company. Although the terms of the award agreement are not identical to those of the shareholders' agreement, the award agreement does contain the essential features of the shareholders' agreement.

Except for the above mentioned shareholders' agreement and the award agreement, and as far as the Company is aware, no other shareholders' agreements or other agreements exist between the present shareholders in the Company for the purpose of creating joint influence over the Company or changing the control of the Company.

## **5 Board of directors, senior management and auditors**

The business address for all members of the board of directors and the senior management of the Company is: Bayport Management Ltd, 3rd Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius. Telephone number to the headquarter is: +230 465 1605. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

### **5.1 Board of directors**

#### *Grant Kurland*

Born in 1971 and of South African nationality. Member of the board of directors since 2009. He is also a member of the asset and liability Committee and the administrative Committee and a member by invitation of the audit, risk and compliance Committee and remuneration committee.

#### *Stuart Stone*

Born in 1969 and of South African nationality. Member of the board of directors since 2005. He is also the chairperson of the asset and liability Committee and a member by invitation of the audit, risk and compliance Committee.

#### *Christopher Bischoff*

Born in 1973 and of British nationality. Member of the board of directors since 2014. He is also a member of the remuneration Committee. Current assignments outside the Group include member of the board of directors of Avito, Saltside (chairperson), Iroko, Konga, BIMA, Quikr and Kinnevik Capital and Chief Operating Officer of Kinnevik Capital Limited.

#### *Justin Chola*

Born in 1962 and of Zambian nationality. Member of the board of directors since 2007. He is also the CEO of the Company's Zambian subsidiary Bayport Financial Services Limited.

#### *Eric Venpin*

Born in 1966 and of Mauritian nationality. Member of the board of directors since 2007. He is also the Chairperson of the audit, risk and compliance Committee.

#### *Jimmy Wong*

Born in 1968 and of Mauritian nationality. Member of the board of directors since 2007. He is also a member of the remuneration Committee. Current assignments outside the Group include managing director of DTOS Ltd.

#### *Michael Mendelowitz*

Born in 1965 and of South African nationality. An alternate Member to Jonathan Jawno and Roberto Rossi) of the board of directors since 2014. He is also a member of the remuneration committee. Current assignments outside the Group include member of board of directors of Transaction Capital Ltd, Eastbell Investments Proprietary Limited, Future Indefinite Investments 159 Proprietary Limited, Rand Trust Financiers Proprietary Limited, SA Taxi Finance Holdings Proprietary Limited, Jawmend Investments Holdings Proprietary Limited, Jawmend Rossi Capital Proprietary Limited, Silvernook Investments Proprietary Limited, Upperway Investments Proprietary Limited, Villa des Roses Proprietary Limited and Quartley Investments Proprietary Limited.

*Jonathan Michael Jawno*

Born in 1966 and of South African nationality. Member of the board of directors since 2010. He is also a member of the asset and liability Committee, the remuneration Committee, and the audit, risk and compliance Committee. Current assignments outside the Group include Deputy Chief Executive Officer, director and Chairperson of the asset and liability committee of Transaction Capital Limited and director of SA Taxi Finance Holdings Proprietary Limited, Jawmend Investments Holdings Proprietary Limited, Jawmend Rossi Capital Proprietary Limited, Upperway Investments Proprietary Limited, Quartley Investments Proprietary Limited, MBD Credit Solutions Holdings Proprietary Limited, Summit Micro Finance Proprietary Limited and Blend Property 17 Proprietary Limited.

*Souleymane Ba*

Born in 1981 and of Senegalese nationality. Member of the board of directors since 2014. He is also a member of the asset and liability Committee, the remuneration Committee, the audit, risk and compliance Committee. Current assignments outside the Group include member of the board of directors of ARM Pension Managers in Nigeria.

*Temitope Lawani*

Born in 1970 and of Nigerian nationality. Member of the board of directors since 2014. Current assignments outside the Group include member of the board of directors of Equity Bank, HTA, HTM, Vivo Energy and Mall for Africa.

*Vladimir Gurgenedze*

Born in 1970 and of Georgian nationality. Member of the board of directors since 2014. He is also a member of the asset and liability Committee and the remuneration Committee. Current assignments outside the Group include being the Executive Chairperson of Liberty Bank.

*Roberto Rossi*

Born in 1962 and of South African nationality. Member of the board of directors since 2015. He is also a member of the asset and liability Committee. Current assignments outside the Group include member of the board of directors of Transaction Capital Ltd, SA Taxi Finance Holdings Proprietary Limited, Azaray Investments Proprietary Limited, Blend Property 17 Proprietary Limited, Excel Prop Proprietary Limited, Future Indefinite Investments 159 Proprietary Limited, Dunwes Capital Proprietary Limited, Ledwell Investments Proprietary Limited, Quartley Investments Proprietary Limited, Upperway Investments Proprietary Limited, and a trustee in Jawmend Rossi Capital Investment Trust, Lazen Trust, and sugar Tube Trust.

*Mervin Muller*

Born in 1980 and of South African nationality. Member of the board of directors since 2015. He is also a member of the asset and liability Committee. Current assignments outside the Group include member of the board of directors of Libstar Consumer Holdings (Pty) Ltd, Medipost Holdings (Pty) Ltd, Doves group Holdings (Pty) Ltd, chairperson of Entabeni Holdings (Pty) Ltd and trustee of Aloecap BEE private equity trust.

*Mercedes Koketso Mabe*

Born in 1978 and of South African nationality. Member of the board of directors since 2015. Current assignments outside the Group include member of the board of directors of Agrigroupe (Pty) Ltd, Menlyn Maine Investment Holdings (Pty) Ltd and Harith Fund Managers.

*Ratirelo Tarquin Mthobi*

Born in 1985 and of South African nationality. Alternate Member (to Mervin Miller) of the board of directors since 2015. He is also a member of the remuneration committee.

*Thurstan Moodley*

Born in 1987 and of South African nationality. Alternate Member (to Mercedes Koketso Mabe) of the board of directors since 2015. He is also a member of the audit, risk and compliance Committee and a member by invitation of the asset and liability Committee.

*Magnus Hans Jakobson*

Born in 1976 and of Swedish nationality. Member of the board of directors since 2015. He is also a member of the audit, risk and compliance Committee and of the asset and liability Committee.

**5.2 Senior management***Grant Kurland*

Grant Kurland is the Joint Chief Executive Officer of the Company since 2002. For further information please see section 5.1 (*Board of directors*) above.

*Stuart Stone*

Stuart Stone is the Joint Chief Executive Officer of the Company since 2014. For further information please see section 5.1 (*Board of directors*) above.

*Stephen Williamson*

Stephen Williamson is the Executive Finance Officer of the Company since 2015.

*Chris Lubbe*

Chris Lubbe is the Credit Executive of the Company since 2012.

*David Rajak*

David Rajak is the Capital Markets Executive of the Company since 2009.

*David Rogers*

David Rogers is the Chief Innovation Officer the Company since 2012.

*Nicole Sanderson*

Nicole Sanderson is the Brand and Marketing Executive of the Company since 2011.

*Paul Rodgers*

Paul Rodgers is the Group Executive responsible for Strategy and Product Development of the Company since 2012.

*Paul Silverman*

Paul Silverman is the New Business Development Executive of the Company since 2009.

*Ted Kristensson*

Ted Kristensson is the Latin America and Corporate Affairs Executive since 2012.

*Trevor Govender*

Trevor Govender is the Sales and Distribution Executive since 2014.

*Mohamed Ebrahim*

Mohamed Ebrahim is the Group Forensic Executive since 2014.

*Christo Koch*

Christo Koch is the Group Finance Executive since 2013.

*Marlene Van Heerden*

Marlene Van Heerden is the Chief Audit Executive since 2014.

*Alison Blanchard*

Alison Blanchard is the Head of Compliance, Risk and Governance since 2015.

*Ettienne Myburgh*

Ettienne Myburgh is the Insurance Executive since 2014.

**5.3 Auditor**

Deloitte was appointed as the auditor of the Company in 2005 and has thereafter been reappointed at each annual meeting up until the date of this Prospectus. Laura Yeung is the group partner at Deloitte who is responsible for the Company and she is a member of Association of Chartered Certified Accountants.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

**5.4 Secretary of the Company**

DTOS Ltd. was appointed Secretary of the Company in connection with the incorporation of the Company. In accordance with the Mauritian Companies Act 2001, the duties of the Secretary of the Company shall include, but are not limited to, the following: (i) providing the board with guidance as to its duties, responsibilities and powers; (ii) informing the board of all legislation relevant to or affecting meetings of shareholders and directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation; (iii) ensuring that minutes of all meetings of shareholders or directors are properly recorded and all statutory registers be properly maintained; (iv) certifying in the annual financial statements of the company that the company has filed with the Registrar all such returns as are required of the company; and (v) ensuring that a copy of the company's annual financial statements and where applicable the annual report are sent to every person entitled to such statements or report.

**5.5 Conflicts of interests**

Although several members of the board of directors and the senior management have a financial interest in the Company through their direct and indirect holdings of shares in the Company, none

of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Although there are currently no conflicts of interest, there is always a risk that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

## 6 Overview of financial reporting and documents incorporated by reference

On 5 May 2014, the financial year of the Company was changed from 1 April – 31 March each year to 1 January – 31 December each year. The first effective period of the new financial year was for a period of nine months from 1 April – 31 December 2014. Subsequently, the financial year is for a period of one year and ending the 31 December each year.

The accounting principles applied in the preparation of the Company's financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ended 31 March 2013, 31 March 2014 and 31 December 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of International Financial Reporting Interpretations Committee (IFRIC).

The Company's annual report for the financial years ended 31 March 2013, 31 March 2014 and 31 December 2014, which have been approved by the board of directors and audited by the Company's auditor, has been incorporated in this Prospectus by reference. The auditor's reports for the financial years ended 31 March 2013, 31 March 2014 and 31 December 2014 have been incorporated through the annual report for the financial years ended 31 March 2013, 31 March 2014 and 31 December 2014 by reference.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page
Financial information regarding the Group and the Group's business, 2012/2013	Bayport's consolidated annual report for financial year ended 31 March 2013	pp. 5–6 (Directors Report), p. 7 (Independent Auditors Report), p. 8 (Statements of Financial Position), p. 9 (Statements of Profit or Loss and Other Comprehensive Income), pp. 10–11 (Statements of Changes in Equity), p. 12 (Statements of Cash Flows), pp. 13–21 (Significant Accounting Policies) and pp. 22–54 (Notes to the Group Annual Financial Statements).
Financial information regarding the Group and the Group's business, 2013/2014	Bayport's consolidated annual report for financial year ended 31 March 2014	pp. 5–6 (Directors Report), p. 7 (Independent Auditors Report), p. 8 (Statements of Financial Position), p. 9 (Statements of Profit or Loss and Other Comprehensive Income), pp. 10–11 (Statements of Changes in Equity), p. 12 (Statements of Cash Flows) pp. 13–22 (Significant

		Accounting Policies) and pp. 23–55 (Notes to the Group Annual Financial Statements).
Financial information regarding the Group and the Group’s business for the financial year ended 31 December 2014	Bayport’s consolidated annual report for financial year ended 31 December 2014	pp. 5–6 (Directors Report), p. 7 (Independent Auditors Report), p. 8 (Statements of Financial Position), p. 9 (Statements of Profit or Loss and Other Comprehensive Income), pp. 10–11 (Statements of Changes in Equity), p. 12 (Statements of Cash Flows) and pp. 23–58 (Notes to the Group Annual Financial Statements).

Investors should read all information which is incorporated by reference in this this Prospectus through this section 6. Information in the above listed documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in this Prospectus. The above listed documents can be obtained in paper format at the Company’s head office and are also available at the Company’s web page, ([www.bayportfinance.com](http://www.bayportfinance.com)).

## **7 Documents available for inspection**

Copies of the following documents can be obtained from the Company in paper format, upon request, during the validity period of this Prospectus at the Company's head office:

- (i) the articles of association of the Company;
- (ii) all documents described above in section 6 (*Overview of financial reporting and documents incorporated by reference*) which – by reference – are a part of this Prospectus;  
and
- (iii) historical financial information for the Company's subsidiaries for the two most recent financial years (where applicable).

**8 Terms and Conditions for the Bonds**

TERMS AND CONDITIONS FOR  
**BAYPORT MANAGEMENT LTD**  
MAXIMUM SEK 1,500,000,000  
SENIOR UNSECURED FIXED RATE BONDS  
2015/2018

ISIN SE0007577358

Issue date 23 October 2015

*The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Company to inform themselves about, and to observe, such restrictions.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.*

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TERMS AND CONDITIONS FOR  
 BAYPORT MANAGEMENT LTD  
 MAXIMUM SEK 1,500,000,000  
 SENIOR UNSECURED FIXED RATE BONDS  
 2015/2018  
 ISIN SE0007577358

**1 Definitions**

For the purpose of these Terms and Conditions the following definitions shall apply:

- “**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and through which a Holder has opened a Securities Account in respect of the Bonds;
- “**Agent**” means the agent under these Terms and Conditions from time to time; initially Intertrust CN (Sweden) AB (previously CorpNordic Sweden AB), reg. no. 556625-5476, Sveavägen 9, P.O. Box 162 85, 103 25 Stockholm, Sweden;
- “**Banking Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Stockholm;
- “**Banking Day Convention**” means the first following day that is a Banking Day;
- “**Bond**” means a debt instrument (*Sw. skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Swedish Financial Instruments Accounts Act and which has been issued by the Company pursuant to these Terms and Conditions, including any Bond issued in a Subsequent Bond Issue;
- “**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons, not being any of the present shareholders, acting

together, acquire control over the Company and where “**control**” means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the voting shares of the Company, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company;

- “**Company**” means Bayport Management Ltd, reg. no. 54787/C1/GBL, c/o DTOS Ltd, 10th Floor, Raffles Tower, 19 CyberCity, Ebene, Mauritius;
- “**Compliance Certificate**” means a certificate, signed by two (2) duly authorized signatories of the Company, certifying that, to its knowledge, no event which would entitle the Agent to accelerate the Bonds under Section 13.1 is outstanding or, if it is aware that such an event is outstanding, specifying the steps, if any, taken by the Company to remedy it;
- “**CSD**” means the Company’s central securities depository and registrar in respect of the Bonds from time to time, initially Euroclear;
- “**Early Redemption Date**” means any Banking Day falling after the Issue Date or, to the extent such day is not a Banking Day, the Banking Day following from an application of the Banking Day Convention, but before the Final Redemption Date;
- “**Early Redemption Amount**” means:
- (i) the Make Whole Amount if the Early Redemption Date occurs before the First Redemption Date;
  - (ii) one hundred and four (104.00) per cent. of the Nominal Amount if the Early Redemption date occurs on or after the First Redemption Date up to, but excluding, the date falling thirty (30) months after the Issue Date;

(iii) one hundred and two (102.00) per cent. of the Nominal Amount if the Early Redemption Date occurs on or after the date falling thirty (30) months after the Issue Date up to, but excluding, the Final Redemption Date; and

(iv) one hundred (100.00) per cent. of the Nominal Amount if the Early Redemption Date occurs on or after the date falling thirty three (33) months after the Issue Date up to, but excluding, the Final Redemption Date, provided however that such early redemption is financed in full by way of the Company issuing Market Loan(s) in which the Holders shall have the possibility to participate by way of roll-over, however subject to the Company's decision on allocation;

**“Employee Scheme”**

means any share related employment incentive scheme or management incentive scheme if the aggregate amount outstanding under such schemes (including the employment or management incentive scheme in question) does not exceed five (5.00) per cent. of the outstanding share capital of the Company;

**“Euroclear”**

means Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden; the initial CSD of the Company;

**“Event of Default”**

means any event which entitles the Agent to terminate the Bonds in accordance with Section 13;

**“Existing Bondholders”**

has the meaning set forth in the definition “Existing Bonds” below;

**“Existing Bondholders’  
Roll-over”**

means the Existing Bonds which in accordance with the Existing Bondholders' acceptance of the Existing Bondholders' roll-over shall be used as payment (in kind) for

	Bonds issued on the Issue Date (“ <b>Roll-over Bonds</b> ”);
“ <b>Existing Bonds</b> ”	means the outstanding senior unsecured bonds 2010/2015 issued by the Company for the bondholders thereunder (the “ <b>Existing Bondholders</b> ”) of maximum SEK 700,000,000 with ISIN SE0003617216;
“ <b>Final Redemption Date</b> ”	means 23 October 2018;
“ <b>First Redemption Date</b> ”	means the date falling eighteen (18) months after the Issue Date or, to the extent such day is not a Banking Day, the Banking Day following from an application of the Banking Day Convention;
“ <b>Funds From Operations</b> ”	means the profit before tax of the Company on a consolidated basis from continuing operations less paid tax, plus depreciation, amortization, hedge costs, other noncash items and Interest Expense as stated in the latest Report and relating to the preceding twelve (12) months from that Report;
“ <b>Group Company</b> ”	means the Company and each of its Subsidiaries, and “ <b>Group</b> ” means the Company and all of its Subsidiaries from time to time;
“ <b>Guarantees</b> ”	means any guarantee provided by the Company in relation to a newly founded or acquired Subsidiary during a period of thirty six (36) months from the date when such Subsidiary was founded or acquired and provided that the aggregate amount of any and all such guarantees in relation to all Subsidiaries does not exceed an amount equal to ten (10.00) per cent. of the Total Loan Book at any time;
“ <b>Holder</b> ”	means a person registered on a Securities Account as holder or otherwise entitled to receive payment in respect of a Bond;

<b>“Interest Expense”</b>	means the interest expense of the Company on a consolidated basis ( <i>i.e.</i> including Subsidiary interest expenses) as stated in the relevant latest financial report (including, for the avoidance of doubt, a Special Financial Report);
<b>“Interest Payment Date”</b>	means 23 October each year or, to the extent such day is not a Banking Day, the Banking Day following from an application of the Banking Day Convention (with the first Interest Payment Date on 23 October 2016 and the last Interest Payment Date on the Final Redemption Date);
<b>“Interest Rate”</b>	means twelve (12.00) per cent. per annum;
<b>“Issue Date”</b>	means 23 October 2015;
<b>“Issuing Agent”</b>	means the Company’s issuing agent from time to time; initially ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, 0250 Oslo, Norway;
<b>“Loan Book”</b>	means the aggregate net advances ( <i>i.e.</i> book value of lending to customers) of the relevant Subsidiary as stated in the latest Report;
<b>“Make Whole Amount”</b>	<p>means the present value on the relevant Record Date of (i) one hundred and four (104.00) per cent. of the Nominal Amount as if such payment originally should have taken place on the First Redemption Date; and (ii) the present value on the relevant Record Date of the remaining interest payments from the relevant Early Redemption Date up to and including the First Redemption Date;</p> <p>both (i) and (ii) above calculated by using a discount rate equal to the Swedish Government Bond Rate plus fifty (50) basis points (for the time period starting from the relevant Early Redemption Date to the First Redemption Date);</p>

<b>“Market Loan”</b>	means any loan or other indebtedness where an entity issues commercial papers, certificates, subordinated debentures, bonds or any other securities in relation to the loan or other indebtedness (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), if such securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognized market place;
<b>“Material Adverse Effect”</b>	means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Company’s ability or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions, or (iii) the validity or enforceability of these Terms and Conditions;
<b>“Material Group Company”</b>	means the Company or a Subsidiary representing more than ten (10.00) per cent. of the total assets of the Company on a consolidated basis according to the latest Report;
<b>“Nasdaq Stockholm”</b>	means the regulated market of NASDAQ OMX Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden;
<b>“Net Interest-Bearing Debt”</b>	means the aggregate interest-bearing debt less cash and cash equivalents of the respective Subsidiary as stated in the latest Report (excluding interest-bearing debt borrowed from any Group Company);
<b>“Nominal Amount”</b>	has the meaning set forth in Section 2.1;
<b>“Permitted Payment”</b>	means a Restricted Payment if (i) no Event of Default has occurred or would result therefrom, and (ii) (a) the payment is made in relation to the establishment of an Employee Scheme, or (b) the payment is

made after 31 March 2016 and the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed fifty (50.00) per cent. of the Group's consolidated net profit for the previous fiscal year;

<b>“Quarterly Reports”</b>	means quarterly reports prepared consistently with the same accounting principles as the Company applies when it prepares its annual financial reports;
<b>“Record Date”</b>	means the fifth (5th) Banking Day prior to a payment date or, if at the relevant time another Banking Day is generally applied in the Swedish bond market as record date for such payment, such other Banking Day;
<b>“Redemption Date”</b>	means the Final Redemption Date or such earlier date that may be the case pursuant to the provisions in Sections 9 and 13;
<b>“Relevant Action”</b>	has the meaning set forth in Section 14.1 (d);
<b>“Report”</b>	means a report setting out the calculations related to (and the compliance with) the special undertakings under Section 12.1.
<b>“Roll-over Bonds”</b>	has the meaning set forth in the definition “Existing Bondholders’ Roll-over” above;
<b>“Securities Account”</b>	means a securities account (Sw. <i>vp-konto</i> ) according to the Swedish Financial Instruments Accounts Act in which each Holder's holding of Bonds is registered;
<b>“SEK”</b>	means the lawful currency for the time being in the Kingdom of Sweden;
<b>“Special Financial Report”</b>	means an unaudited financial report prepared consistently with the same accounting principles as the Company applies when it prepares its annual financial reports and Quarterly Reports;
<b>“Subsequent Bond Issue”</b>	has the meaning set forth in Section 2.5.

**“Subsidiaries”**

means a subsidiary under Part I Section 3 of the Mauritian Companies Act (2001) (or under such other provision as may replace and/or amend this provision);

**“Swedish Government Bond Rate”**

means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Banking Days (but not more than five (5) Banking Days) prior to the Early Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the Early Redemption Date to the First Redemption Date; provided, however, that if the period from the Early Redemption Date to the First Redemption Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Early Redemption Date to the First Redemption Date is less than one (1) year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted

to a constant maturity of one (1) year shall be used.

- “**Total Loan Book**” means the total net advances (*i.e.* book value of lending to customers) of the Company on a consolidated basis as stated in the latest relevant financial report (including, for the avoidance of doubt, a Special Financial Report);
- “**Total Net Senior Debt**” means the total debt of the Company with a higher priority than the Bonds or an equal priority to the Bonds, less cash and cash equivalents, calculated on a consolidated basis (*i.e.* including Subsidiary debt), as stated in the latest Report;
- “**USD**” means the lawful currency for the time being in the United States of America; and
- “**Voting List**” has the meaning set forth in Section 15 (g); and
- “**Voting Record Day**” has the meaning set forth in Section 15 (c).

## **2 The amount of the Bonds and undertaking to make payments**

- 2.1 The aggregate amount of the bond loan will be an amount of up to SEK 1,500,000,000 and will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The ISIN code for the Bonds is SE0007577358.
- 2.2 The minimum permissible investment in connection with the issuance of Bonds on the Issue Date shall correspond to the price of one Bond, and integral multiples thereof.
- 2.3 Bonds may be paid for in kind by delivery of Existing Bonds, subject to subscriptions from Existing Bondholders in accordance with the Existing Bondholders’ Roll-over, to be specified in a separate application form. Applicants delivering Roll-over Bonds will receive, in cash, on or about the Issue Date accrued but unpaid interest on the Roll-over Bonds up to, and including, the Issue Date.
- 2.4 The Company undertakes to repay the Bonds, to pay interest and to otherwise act in accordance and comply with these Terms and Conditions.

- 2.5 The Company may choose not to issue the full amount of Bonds on the Issue Date and may in such case, provided that no Event of Default is continuing or would result from such issue, choose to issue the remaining amount of Bonds on one or more subsequent dates (“**Subsequent Bond Issue**”). The price of Bonds issued in a Subsequent Bond Issue may be set at a discount or at a higher price than the Nominal Amount and shall, for the avoidance of doubt, have the same ISIN, Interest Rate, Nominal Amount, Final Redemption Date and other rights as Bonds issued on the Issue Date.
- 2.6 The purpose of the bond loan is general corporate purposes, including but not limited to acquisitions, and refinancing of existing debt, including the Existing Bonds.

### **3 Status**

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu* with all direct, unconditional, unsecured and unsubordinated obligations of the Company without any preference among them.

### **4 The Bonds and transferability**

- 4.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 4.2 The Bonds are freely transferable. All Bond transfers are subject to the terms of these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 4.3 Holders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due *e.g.* to its nationality, its residency, its registered address or its place(s) for doing business). Each Holder must ensure compliance with local laws and regulations applicable at own cost and expense.
- 4.4 The Bonds have not been registered under the US Securities Act and the Company is under no obligation to arrange for registration of the Bonds under the US Securities Act or under any other law or regulation.

### **5 Interest**

The Bonds will bear interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to, and including, the Redemption Date. Any Bond issued in a Subsequent Bond Issue will, however, bear interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Interest Payment Date falling immediately prior to its issuance

up to, and including, the Redemption Date. The interest will be paid in arrears on each Interest Payment Date and shall be calculated on a 30/360-days basis.

## **6 Bonds in electronic book-entry form**

- 6.1 The Bonds will be issued in accordance with the Financial Instruments Accounts Act in electronic book-entry form and will be registered on behalf of the Holders on a Securities Account. No physical notes will be issued. Registration requests relating to the Bonds shall be directed to an Account Operator. Those who, according to assignment, pledge, the provisions of the Swedish Children and Parents Code (Sw. *Föräldrabalken 1949:381*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlement to receive payment in accordance with the Swedish Financial Instruments Accounts Act.
- 6.2 The Company and the Agent shall be entitled to obtain information from the register kept by the CSD in respect of the Bonds (Sw. *skuldbok*). At the request of the Agent or the Issuing Agent, the Company shall request and provide such information to the Agent or the Issuing Agent or provide the Agent or the Issuing Agent with a power of attorney to obtain the relevant information.

## **7 Redemption of the Bonds and payments**

### **7.1 Redemption at maturity**

The Company shall redeem all outstanding Bonds at the Nominal Amount on the Final Redemption Date or, to the extent such day is not a Banking Day, on the Banking Day following from an application of the Banking Day Convention. Payment of the Nominal Amount and accrued but unpaid interest will be made to each person who is a Holder on the Record Date.

### **7.2 Payments of principal and interest**

If a Holder has registered, through an Account Operator, that capital and interest shall be paid to a designated bank account, such payment will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. If a day on which an amount becomes due and payable is not a Banking Day the amount will be deposited or transferred the next following Banking Day. However, interest only accrues up to and including the relevant due date.

Should the CSD, due to a delay on behalf of the Company or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the Holders as soon as possible after such obstacle has been removed. Payment will be made to the person

registered as Holder on the Record Date immediately preceding the actual payment date.

If a person to whom payment has been made in accordance with the above was not entitled to receive such payment, the Company and the CSD shall nevertheless be deemed to have fulfilled their obligations, provided that the Company and/or the CSD did not have knowledge that such payment was made to a person not entitled to receive such amount and provided that the Company and/or the CSD acted with normal care.

## **8 Default interest**

- 8.1 If the Company fails to pay any amount due under these Terms and Conditions, the Company shall pay default interest on such amount at a rate corresponding to the Interest Rate plus two (2.00) per cent., from, but excluding, the date such payment was due up to and including the date of actual payment. Accrued default interest shall not be capitalized.
- 8.2 If the delay is due to an existence of an obstacle for the Company, the Agent, the CSD or the Issuing Agent respectively, as set out in Section 22.1, the default interest shall not exceed the relevant Interest Rate.

## **9 Early redemption by request of the Company**

- 9.1 All Bonds, but not only some, can be redeemed early at the option of the Company on any Early Redemption Date, provided however that the Existing Bonds have been redeemed in full. The Company can exercise its option by giving the Holders not less than thirty (30) calendar days' notice in accordance with Section 20. The notice shall be irrevocable and state the Early Redemption Date and the relevant Record Date.
- 9.2 The Bonds shall be redeemed at the Early Redemption Amount together with accrued interest in accordance with Section 5 from, but excluding, the preceding Interest Payment Date up to, and including, the relevant Early Redemption Date.

## **10 The Company's and the other Group Companies' purchase of Bonds**

- 10.1 The Company and any of the other Group Companies may at any time purchase Bonds on the market or in any other way. The Bonds held by the Company or any of the other Group Companies, or surrendered by any of the other Group Companies, to the Company may at the Company's or any of the other Group Companies' discretion, as applicable, be retained or sold or, if held by the Company, be cancelled.

- 10.2 Bonds held by the Company and by any of the other Group Companies will cease to carry the right to attend and vote at the Holders' meetings and will not be taken into account, *inter alia*, for the purposes of Section 15.

## **11 Mandatory repurchase due to a Change of Control Event (put option)**

- 11.1 Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Company shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid interest; during a period of thirty (30) calendar days following a notice from the Company of the Change of Control Event pursuant to Section 12.1 (m). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.
- 11.2 The notice from the Company pursuant to Section 12.1 (m) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Company, the Company, or a person designated by the Company, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Company pursuant to Section 12.1 (m). The repurchase date must fall no later than twenty (20) Banking Days after the end of the period referred to in Section 11.1.
- 11.3 The Company shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Section 11, the Company shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 11 by virtue of the conflict.
- 11.4 Any Bonds repurchased by the Company pursuant to this Section 11 may at the Company's discretion be retained, sold or cancelled in accordance with Section 10.

## **12 Special undertakings**

- 12.1 So long as any Bonds remain outstanding, the Company undertakes:
- (a) not to for any year (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, or (iv) make any other similar distribution to the shareholders of the Company ((i), (ii), (iii) and (iv) are together and individually referred to as a "**Restricted Payment**"),

provided however that the Company has a right to make any Restricted Payment which is a Permitted Payment;

- (b) to ensure that the ratio of Total Net Senior Debt to Total Loan Book is not greater than eighty (80.00) per cent.;
- (c) to ensure that the ratio of Funds From Operations to Interest Expense is not less than one hundred and fifty (150.00) per cent.;
- (d) to ensure (i) that the Bonds are listed at the corporate bond list on Nasdaq Stockholm not later than sixty (60) calendar days after Issue Date (whereas the intention of the Company is to list the Bonds at the corporate bond list on Nasdaq Stockholm within thirty (30) calendar days after Issue Date) and to take all measures required to ensure that the Bonds continue being listed on Nasdaq Stockholm for as long as any Bonds are outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (ii) that, upon any Subsequent Bond Issue, the volume of Bonds listed at the corporate bond list on Nasdaq Stockholm promptly, and not later than ten (10) Banking Days after the relevant issue date, is increased accordingly;
- (e) to procure that no substantial change is made to the general nature of the business carried on by the Group Companies;
- (f) not to provide or permit to subsist any security or permit someone else to provide or permit to subsist any security in the form of a contingent liability or otherwise to secure any present or future Market Loan or any other loan or indebtedness of the Company;
- (g) not to provide, prolong or renew any guarantee or security over any of the Company's assets (present or future) to secure any present or future Market Loan or any other loan or indebtedness taken up by any other person than the Company (including the other Group Companies), provided however that the Company has a right to provide, prolong and renew any Guarantees;
- (h) to ensure that the ratio of Net Interest-Bearing Debt to Loan Book is not greater than sixty five (65.00) per cent. in the Company's Subsidiaries calculated on an aggregated basis and that the ratio of Net Interest-Bearing Debt to Loan Book is not greater than seventy (70.00) per cent. in any single Subsidiary;
- (i) to ensure that the Company's Subsidiaries do not provide, prolong or renew any guarantee or security over any of their assets (present or

future) to secure any present or future Market Loan or any other loan or indebtedness taken up by any other person than the respective Subsidiary (including the other Group Companies);

- (j) to prepare and publish Quarterly Reports not later than two (2) months after the end of the relevant quarter. When the Bonds are listed, the Quarterly Report shall be published in accordance with the applicable rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*);
- (k) to prepare a Special Financial Report not later than twenty (20) calendar days from the request of the Agent and as per the historic date that the Agent has stated in its request;
- (l) to provide a Compliance Certificate and a Report to the Agent at the same time as the Quarterly Reports are published or within twenty (20) calendar days from the request of the Agent; and
- (m) promptly notify the Agent (and, as regards a Change of Control Event, the Holders) upon becoming aware of the occurrence of a Change of Control Event or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

### **13 Acceleration of the Bonds**

13.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all but not only some of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not being a date falling later than twenty (20) Banking Days from the date on which the Agent made such declaration), if:

- (a) the Company fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to an existence of an obstacle for the Company as set out in Section 22.1 or payment is made within five (5) Banking Days of the due date;
- (b) the Company does not comply with these Terms and Conditions in any other way than as set out in Section 13.1 (a), provided that the Agent has requested the Company in writing to remedy such failure and the Company has not remedied such failure within twenty five (25) Banking Days from such request (if in the opinion of the Agent, the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior direction);

- (c) any Group Company does not pay on the due date any amount payable pursuant to any loan and/or any other financial indebtedness, exceeding USD 3,000,000, taken up by that Group Company, if the total loan is declared, or could have been declared, due and payable prior to its specified maturity as a result of the defaulted payment, or, if the agreement does not contain a termination clause or if the defaulted payment would have been the final payment, if payment is not made within fifteen (15) calendar days after receiving a written, justified, demand from the creditor, but always provided that the creditor has not waived its right of payment, or an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute such an event of default) occurs under any loan and/or any other financial indebtedness of the Company, exceeding USD 3,000,000;
- (d) any Group Company, within thirty (30) calendar days after receiving a written, justified, demand, does not fulfil its obligations according to any personal security (Sw. *borgen*) or guarantee provided as security for any other persons loan or if it does not fulfil its commitment to remunerate someone for what that person has paid pursuant to a personal security or guarantee, provided that such obligation or commitment exceeds USD 3,000,000 and the creditor has not waived its right of payment;
- (e) any Group Company suspends its payments on any of its debts;
- (f) any Group Company is declared bankrupt;
- (g) any Material Group Company takes any corporate action or if other steps are taken or legal proceedings are started (other than proceedings which are being disputed in good faith by appropriate legal proceedings and are withdrawn or struck out or dismissed within thirty (30) calendar days) by any person for such Material Group Company's winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, provisional liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its revenues and assets or any execution or diligence is levied against all or a material (as determined by the Agent in its reasonable discretion) part of its revenues and assets; or
- (h) a decision is made that any Material Group Company shall be merged and/or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where

consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors). Such consent shall only be given if an accountant, engaged in accordance with Section 14.2 (e), has assured that the merger or demerger, as applicable, will not have a Material Adverse Effect.

- 13.2 If the Bonds are declared due and payable, the Company shall redeem the Bonds at a redemption amount equal to the Bonds' Nominal Amount plus the accrued interest, if any, pursuant to Section 5 from, but excluding, the preceding Interest Payment Date (or, if such date has not occurred, the Issue Date), up to and including the payment date.
- 13.3 Termination for payment prematurely on the grounds mentioned in Sections 13.1 (b)–(d) above or, regarding any of the Companies Subsidiaries, on the grounds mentioned in Sections 13.1 (e)–(h) above may however only occur if the nature of the particular circumstance is such that it would have a Material Adverse Effect and that the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Section 13.1 (g) above.
- 13.4 If the right to termination is based upon a decision of a court of law, a government authority or an annual general meeting, it is not necessary that the decision has acquired legal force or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 13.5 The Company is obliged to inform the Agent immediately if any circumstance of the type specified in Section 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur provided that the Agent does not have knowledge of such circumstance. At the request of the Agent the Company shall within five (5) Banking Days provide the Agent with a certificate regarding the circumstances dealt with in Section 13.1. The Company shall further provide the Agent with such details as the Agent may request regarding any circumstances referred to in Section 13.1 and provide at the request of the Agent all documents that may be of significance in the application of this Section 13.
- 13.6 The Company is only obliged to inform the Agent according to Section 13.5 if informing the Agent would not conflict with any statute or, when the Bonds are listed, the Company's registration contract with Nasdaq Stockholm.
- 13.7 If the Agent has been notified by the Company or has otherwise determined that there is a default under these Terms and Conditions according to Section 13.1, the Agent shall decide, within ten (10) Banking Days of the day of

notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that right to termination is at hand and obtain judgement on the matter from the Holders according to the provisions in Section 15. If the Holders decide for termination to occur, the Agent shall promptly declare the Bonds terminated. If the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not be obliged to terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. If the Holders, without prior initiative to decision from the Agent or the Company, have made a decision regarding termination in accordance with Section 15, the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

- 13.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Section 13 without relevant decision by the Agent or by the Holders' meeting pursuant to Section 15.

#### **14 The Agent's right to represent the Holders, the authority of the Agent etc.**

##### **14.1 The Agent's right to represent the Holders**

- (a) Even without a separate authorisation from the Holders and without having to obtain any Holders' consent (if not required to do so under these Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and these Terms and Conditions and is authorised to act on behalf of the Holders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds).
- (b) Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request of the Agent.
- (c) Other than to the extent expressly provided for under these Terms and Conditions, no Holder may take any actions whatsoever on its own against the Company in matters relating to the Bonds and these Terms and Conditions. Further, no Holder may take any legal steps

whatsoever to recover any amount due or owing to it pursuant to these Terms and Conditions, or file an application for, or otherwise take any legal steps in respect of, the winding-up, bankruptcy, or liquidation of the Company or the making of an administration order in relation to the Company or the service of a notice of intention to appoint an administrator in relation to the Company in respect of any of the liabilities of the Company whatsoever under these Terms and Conditions, other than to the extent expressly permitted under these Terms and Conditions.

- (d) Notwithstanding Section 14.1 (c) above and without having to observe the provisions in Section 13.8 and 14.1, the Holders may jointly (i) take actions to enforce their rights under these Terms and Conditions against the Company if the Agent does not have legal right (Sw. *talerätt*) to bring an action or initiate a procedure under or in connection with these Terms and Conditions before any courts or other authorities and if the Agent has not been granted a power of attorney to do so, (ii) take any actions which the Agent has refrained from taking if the Agent has been instructed in accordance with these Terms and Conditions to take such actions and the Agent has refrained from taking the actions within a reasonable time in breach of these Terms and Conditions, and (iii) represent their own holdings of Bonds against the Company if the Agent has notified the Holders that it will not take further actions in accordance with Section 14.4 ((i), (ii) and (iii) are together and individually referred to as a “**Relevant Action**”). However, any Relevant Action may only be taken after a Holders’ meeting has decided to take such action. The Holders’ meeting shall be convened in accordance with these Terms and Conditions. However, a Holders’ meeting pursuant to this Section can be convened by the Agent (or by a Holder in accordance with Section 15 (k)) irrespective of whether the requesting Holders represents ten (10.00) per cent. of the total outstanding Nominal Amount or not. Further, a resolution at a Holders’ meeting in accordance with this Section may be passed with simple majority.

#### 14.2 **The role and authority of the Agent**

- (a) The Agent shall monitor the compliance by the Company of its obligations under these Terms and Conditions. The Agent shall further arrange any Holders’ meetings that shall be held in accordance with Section 15 and implement any decisions which have been taken on such meetings or otherwise under these Terms and Conditions. The Agent is not obligated to assess the Company’s financial situation

beyond what is directly set forth in these Terms and Conditions. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner and with reasonable care and skill.

- (b) In performing its obligations, the Agent has a right to take any steps that it, in its sole discretion, deems necessary or appropriate to ensure and preserve the rights of the Holders under these Terms and Conditions, but does not have a right to adopt resolutions which give certain Holders, or any other persons, an unreasonable advantage at the expense of another Holder or Holders. The Agent may, in its sole discretion, postpone taking any action until the matter has been decided upon at a Holders' meeting.
- (c) The Agent may act as agent for several bond issues relating to the Company notwithstanding potential conflicts of interest. The Agent may delegate exercise of its powers to other professional parties.
- (d) For the avoidance of any doubt, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality. Further, the obligations of the Agent does not limit the Agent's right to discuss matters with the Company that are confidential in nature and which are not made public to the Holders.
- (e) The Agent may engage, pay for and rely upon the advice or services of any lawyers, accountants or other experts where such advice or services are reasonably required to fulfil its obligations under these Terms and Conditions. The costs for such third party advice shall be borne by the Company. The Agent is however obliged to always inform the Company prior to engaging any third party experts.

#### 14.3 **Replacement of Agent and Issuing Agent**

- (a) The Agent and the Issuing Agent can be replaced by another Agent and/or Issuing Agent by the Holders in accordance with the procedures set out in Section 15.
- (b) The Agent may resign as agent and/or transfer its position as agent at any time, provided that no resignation by the Agent shall take effect until a new Agent has been appointed by the Company. If the Company has not appointed a new Agent within thirty (30) calendar days after the Agent has given the Company notice of its resignation, the Agent has the right to appoint a new Agent. Until the resigning Agent has been replaced by a new Agent, the resigning Agent shall perform all its obligations under these Terms and Conditions. When a new Agent has

been appointed, the resigning Agent shall bear no responsibility for acts or omissions during the time after the replacement of the Agent but shall continue to enjoy the rights under these Terms and Conditions. The Agent's successor, the Company, the Issuing Agent and the Holders shall have the same rights and obligations among themselves as they would have had if such successor would have been the original Agent.

- (c) The Issuing Agent may resign as issuing agent and/or transfer its position as issuing agent at any time, provided that no resignation by the Issuing Agent shall take effect until a new Issuing Agent has been appointed by the Company. If the Company has not appointed a new Issuing Agent within thirty (30) calendar days after the Issuing Agent has given the Company notice of its resignation, the Issuing Agent has the right to appoint a new Issuing Agent. Until the resigning Issuing Agent has been replaced by the new Issuing Agent, the resigning Issuing Agent shall perform all its obligations under these Terms and Conditions. When a new Issuing Agent has been appointed, the resigning Issuing Agent shall bear no responsibility for acts or omissions during the time after the replacement of the Issuing Agent but shall continue to enjoy the rights under these Terms and Conditions. The Issuing Agent's successor, the Company, the Agent and the Holders shall have the same rights and obligations among themselves as they would have had if such successor would have been the original Issuing Agent.
- (d) If the Agent or the Issuing Agent is subject to bankruptcy or financial reconstruction according to law or regulations from a supervising authority, the Company shall immediately appoint a new Agent or Issuing Agent which immediately shall replace the present Agent or Issuing Agent as Agent or Issuing Agent in accordance with these Terms and Conditions.
- (e) The Company may also appoint a new Agent or Issuing Agent which immediately shall replace the present Agent or Issuing Agent, if the Agent or Issuing Agent has, in a material way, failed to fulfil its obligations under these Terms and Conditions and does not, within a reasonable time, remedy such failure after the Company has made the Agent or the Issuing Agent aware thereof. If a new Agent is appointed, the Company may recover all costs, remuneration, fees and expenses payable by the Company in relation to the new Agent under Sections 14.4 and 16 from the replaced Agent, provided that such costs, remuneration, fees and expenses exceed the costs, remuneration, fees

and expenses that would have been payable if the Agent had not been replaced.

- (f) If the Agent or the Issuing Agent have resigned or been replaced in accordance with Sections 14.3 (a)–(e), the Agent and the Issuing Agent shall deliver all documents and provide all information to the new Agent or Issuing Agent that are necessary for them to perform their obligations under these Terms and Conditions.

#### **14.4 Remuneration for the Agent**

The Agent is, according to a separate agreement between the Company and the Agent, entitled to receive remuneration from the Company for acting as Agent in accordance with these Terms and Conditions. If the Agent, based on good reasons, believes that the Company is or will become insolvent the Agent is entitled to reserve reasonable remuneration from the Holders for its continued work in accordance with these Terms and Conditions, save that the Agent shall make the arrangements stated in Section 13.7 without having received remuneration or being indemnified by the Holders.

#### **15 Holders' meeting and procedure in writing**

- (a) Each of the Company, the Agent and Holders representing at least ten (10.00) per cent. of the total outstanding Nominal Amount, may request that a Holders' meeting is convened or request a procedure in writing among the Holders. Such request shall be made in writing, and notified in accordance with Section 20, to the Company and the Agent including (i) information regarding the issues that shall be decided and, where applicable, (ii) documentation of the holding of Bonds of the requesting Holders. The request shall clearly state that the matter is urgent. If the Agent establishes that a request for a Holders' meeting or procedure in writing has been made in due order the Agent shall, within twenty (20) Banking Days from receipt of such request, convene a meeting or initiate a procedure in writing. The Agent must not convene a Holders' meeting or initiate a procedure if the Agent determines that (i) the proposal must be approved by the Company and the Company informs the Agent that it will not give such approval, (ii) the proposal is not in accordance with applicable laws, or (iii) it appears highly unlikely that the Holders' meeting or procedure in writing will decide in accordance with the proposal in view of previous Holders' meetings or procedures in writing.
- (b) Notice shall be given by the Agent to the Holders or, as the case may be, the Company in accordance with Section 20 below not later than ten (10) Banking Days and not earlier than thirty (30) Banking Days

prior to the Holders' meeting or the last day for replies in the procedure in writing. The notice shall include (i) time for the Holders' meeting or the last day for replies in the procedure in writing, (ii) place for the Holders' meeting or the address for replies, (iii) the agenda for the Holders' meeting, (iv) information regarding which Banking Day that will constitute the Voting Record Date for the Holders' meeting (or procedure in writing) (in relation to a procedure in writing, such Voting Record Date must fall no earlier than one (1) Banking Day after the effective date of the notice), and (v) what is otherwise required by a Holder in order to attend the Holders' meeting. Further, the notice shall include information on the matters that shall be discussed and resolved upon by the Holders' meeting and the main content of each proposal (if any). The Agent shall determine the contents in the notice and provide, in writing or electronically, a proxy form or, in case of a procedure in writing, a decision form with the relevant alternatives for resolution. When the Bonds have been listed, the notice shall also be sent to Nasdaq Stockholm for publication.

- (c) Only Holders registered as Holders on the fifth (5th) Banking Day prior to the Holders' meeting or, in respect of a procedure in writing, on the Banking Day specified in the notice sent out according to Section 15 (b) are entitled to vote at the Holders' meeting (or procedure in writing) ("**Voting Record Date**"). The Agent shall ensure that there is an excerpt from the register kept by the CSD available at the Holders' meeting (or the procedure in writing) showing the registered Holders on the relevant Voting Record Date.
- (d) Only matters that have been included in the notice sent out according to Section 15 (b) may be resolved upon by the Holders' meeting. A resolution is passed through voting at a Holders' meeting (or, in case of a procedure in writing, through calculation by the Agent of the replies), at which each Holder entitled to vote shall have one vote per Bond at a Nominal Amount of SEK 1,000,000 held. A Holder must vote in the same manner for all Bonds held. However, a representative who represents different Holders may vote differently for different Holders. Bonds held by any Group Company shall not entitle any voting right. The resolution of the Holders shall be the opinion which represents the majority of the Nominal Amount for the Bonds represented at the meeting (or, in case of a procedure in writing, received answers at the end of the time for replies). In respect of the below issues the following qualified majority is required among the votes casted and the answers received in order to deem a resolution passed ("**Qualified Majority**"):

- (i) two thirds (2/3) when (1) one of the situations from a special undertaking in accordance with Section 12 is waived, and (2) an amendment of a provision in these Terms and Conditions is made, subject to (ii) below; and
- (ii) three quarters (3/4) when (1) principal amount, interest rate or interest amount which shall be paid by the Company is reduced, (2) amendment of any redemption day for principal or interest amount, and (3) amendment of the provisions in this Section 15 (d).

If the number of votes are equal the opinion which is most beneficial for the Company, according to the chairman of the meeting (or, in case of a procedure in writing, the Agent), will prevail.

- (e) Quorum exists only if Holders representing at least one fifth (1/5) of the aggregate outstanding Nominal Amount attend the meeting in due order (or, in case of a procedure in writing, provide replies). Bonds held by any Group Company shall not be considered when calculating if necessary majority has been achieved. If quorum is not achieved within fifteen (15) minutes from the fixed time (or, in case of a procedure in writing, through received answers at the end of the time for replies), the meeting shall be adjourned (or, in case of a procedure in writing, the time for replies shall be extended) to the tenth Banking Day thereafter. Notice containing information regarding time and place for a continued meeting (or, in case of a procedure in writing, information regarding extended time for replies) shall promptly be provided to the Holders in accordance with Section 20. At a continued meeting (or, in case of a procedure in writing, at a new calculation) a resolution can be passed through an ordinary resolution (or, if required in accordance with (c) above, through Qualified Majority) by Holders entitled to vote irrespective of the share of Bonds represented.
- (f) At the meeting, the Company, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with its representatives, counsels and assistants. Further, the directors of the boards, the managing directors and other officials of the Company and the Company's auditors may attend the meeting. The meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.

- (g) The meeting shall be opened by a present person appointed by the Company (or, if such person does not exist, a present person appointed by the Agent) and the meeting shall be chaired by that person until a chairman of the meeting has been elected by the meeting. The chairman shall prepare a list of the Holders and representatives/proxies present and entitled to vote (the “**Voting List**”). The list shall include information on the Nominal Amount that each Holder (or, as the case may be, representatives/proxies) represents. The chairman shall further arrange for minutes to be kept at the meeting. The minutes shall include the Voting List (which shall be approved by the Holders’ meeting), any other persons that have been attending, what has been discussed, the result of the voting and the resolutions that were passed. The minutes shall be signed by the chairman and by at least one person appointed by the meeting to verify the minutes. In case of a procedure in writing, the Agent shall provide for the calculation of votes and keep minutes in respect of the calculation of votes and the resolutions passed by the procedure in writing. The Agent may request for complements and clarifications but is not obliged to do so and may disregard any unclear or illegible votes. The Agent shall disregard any answers that do not follow listed alternatives or where voting right does not appear in the documentation provided by the Holder or CSD. The Company may be represented at the calculation. The minutes shall be completed promptly and be held available for the Holders at the Company and the Agent.
- (h) If the Company and the Agent deem it appropriate, a Holders’ meeting may be combined with a possibility for Holders to provide answers in accordance with a written resolution form as an alternative to being present or being represented at the Holders’ meeting.
- (i) If a procedure in writing is held among the Holders, the Holders can provide answers and vote electronically by sending an email to the Agent at the address notified by the Agent in the notice which shall be sent to the Holders according to Section 15 (b). For the avoidance of doubt, electronic answers that do not follow listed alternatives (in a decision form or otherwise) will be disregarded in accordance with Section 15 (g).
- (j) A resolution that has been passed at a duly convened and held meeting or a procedure in writing is binding for all Holders irrespective of whether they have been present or represented at the meeting or if they have participated in the procedure in writing and irrespective of how and if they have voted. No Holder shall be liable for any damages

caused to any other Holder due to a resolution passed, or due to that no resolution was passed, at the Holders' meeting.

- (k) If the Agent, in breach of these Terms and Conditions, has not convened a Holders' meeting within twenty (20) Banking Days after having received such request, the requesting person may convene the Holders' meeting itself. If the requesting person is a Holder, the Company shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no person referred to in Section 15 (g) exist, the meeting shall be opened by a person appointed by the requesting Holder.
- (l) When applying this Section 15, holders of Bonds registered with nominees in accordance with Section 21 shall be considered Holders instead of the authorised nominee if the holder shows a certificate from the authorised nominee (i) certifying that the relevant person was the holder of Bonds on the relevant Voting Record Date, and (ii) showing the number of Bonds held by that person on the relevant Voting Record Date. In respect of Bonds registered with authorised nominees, the authorised nominee shall be regarded as present at the Holders' meeting (or the procedure in writing) with the number of Bonds that the nominee represents as Holder according to Section 21 and this Section 15 (l).
- (m) The Company shall bear all costs for the Company and the Agent in connection with a Holders' meeting or a procedure in writing irrespective of who has requested the meeting or the procedure in writing. If these Terms and Conditions have been revised or replaced due to a decision on a Holders' meeting, the Agent, or anyone acting on behalf of the Agent, shall arrange for new or revised Terms and Conditions to be sent to the CSD.

## **16 Fees and expenses**

- 16.1 Unless otherwise stipulated in these Terms and Conditions, the Company shall cover all costs and expenses incurred by it in connection with these Terms and Conditions (including legal costs) and the fulfilment of its obligations under these Terms and Conditions, including the negotiation, preparation, execution and enforcement of these Terms and Conditions and any registration or notifications relating thereto (including any stamp duty) and the listing of the Bonds on Nasdaq Stockholm.
- 16.2 The fees and expenses payable to the Agent shall be paid by the Company and are set forth in a separate agreement between the Company and the Agent.

- 16.3 Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Holders, unless otherwise provided by law or regulation, and the Company is not responsible for reimbursing any such fees.
- 16.4 Except as provided in Section 16.1, the Company shall pay any stamp duty and other public fees accruing in connection with the issuance of the Bonds and shall deduct at source any applicable withholding tax payable which the Company is obligated to withhold pursuant to law.

## **17 Amendments of the Terms and Conditions**

- 17.1 The Agent may, on account of the Holders, agree with the Company to amend these Terms and Conditions as long as such amendment does not limit the obligation of the Company to pay amounts of principal or interest or in any other way, to the Agents discretion, may materially adversely affect the interests of the Holders or that such amendment is solely made in purpose to rectify obvious errors and mistakes in these Terms and Conditions. Subject to decisions of the Holders in accordance with Section 15, the Agent may also agree with the Company regarding other amendments.
- 17.2 The Agent may also, on account of the Holders, agree with the Company to make necessary amendments to these Terms and Conditions to the extent such amendments are required by applicable law, court rulings or decisions by relevant authorities or, when the Bond are listed on Nasdaq Stockholm, and as long as such amendments do not materially adversely affect the interests of the Holders, to ensure that they comply with any requirements for listing.
- 17.3 Amendments of these Terms and Conditions shall be notified without delay by the Company in accordance with Section 20, setting out the date from which the amendments will be effective.

## **18 Time-bar**

- 18.1 The right to receive payment of the Nominal Amount shall be time-barred and become void ten (10) years from the relevant Redemption 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 Company is entitled to any funds set aside for payments in respect of which the Holders right to receive payment have been time-barred and become void.
- 18.2 If such periods for limitation are duly interrupted, in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the Nominal Amount, and of three (3) years with respect to interest payments will commence, in both cases

calculated from the date of interruption of the time-bar period as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **19 Allocation of payments**

If both the Nominal 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 all fees, costs and expenses, secondly towards payment of interest and thirdly towards payment of the Nominal Amount.

## **20 Notices**

20.1 Notices from the Company or the Agent shall be given in English to the Holders at their addresses as registered with the CSD. Notices to the Holders shall be considered to be received by the Holders three (3) Banking Days after they have been dispatched.

20.2 Notices from the Holders to the Company or the Agent shall be given in English to the Company or the Agent as the case may be and, if to the Company, with a copy to the Agent, at the addresses set forth in Section 1.

## **21 Nominee registration**

In respect of Bonds registered with authorised nominees in accordance with the Swedish Financial Instruments Accounts Act, the authorised nominee shall be deemed to be the Holder for the purpose of applying these Terms and Conditions (subject to the provisions about the voting rights of the Holders in Section 15).

## **22 Limitation of liability etc.**

22.1 The Company, the Agent, the CSD and the Issuing Agent shall have no liability for damage caused by Swedish or foreign enactment, action taken by a Swedish or foreign authority, war, strike, blockade, boycott, lockout or other similar circumstance. This limitation of liability in the case of a strike, blockade, boycott or lockout also applies if the Company, the Agent, the CSD or the Issuing Agent would itself initiate or become subject to such conflict.

22.2 The Agent, the CSD and the Issuing Agent, or any affiliates to the Agent, the CSD and the Issuing Agent, shall not be liable for damage caused in any other event unless the damage is caused by gross negligence or wilful misconduct. In no event shall the Agent, the CSD and the Issuing Agent, or any affiliates to the Agent, the CSD and the Issuing Agent, be liable for indirect damage.

- 22.3 Should the Company, the Agent, the CSD or the Issuing Agent be prevented from performing their respective obligations due to any of the circumstances mentioned in Section 22.1 above, such performance may be postponed until fulfilment is no longer prevented by such event.
- 22.4 The provisions in this Section 22 apply unless they are inconsistent with the provisions of the Swedish Financial Instruments Accounts Act which provisions shall take precedence.

**23 Governing law and jurisdiction**

- 23.1 These Terms and Conditions shall be governed by and construed in accordance with the laws of the Kingdom of Sweden.
- 23.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Section 23.3 below, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 23.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Holders and the Agent to take proceedings against the Company in any court which may otherwise exercise jurisdiction over the Company or any of its assets.
-

We hereby confirm that the above Terms and Conditions are binding upon the Company

BAYPORT MANAGEMENT LTD  
(the Company)

\_\_\_\_\_

Name:

\_\_\_\_\_

Name:

Acknowledged and agreed

Intertrust CN (Sweden) AB  
(the Agent)

\_\_\_\_\_

Name:

\_\_\_\_\_

Name:

## 9 Addresses

### Company and issuer

Bayport Management Ltd  
 c/o DTOS Ltd  
 10th Floor, Raffles Tower  
 19 CyberCity, Ebene  
 Republic of Mauritius  
 Tel: +230 465 1605  
 Web page: [www.bayportfinance.com](http://www.bayportfinance.com)

### Issuing Agent

ABG Sundal Collier Norge ASA  
 Munkedamsveien 45  
 0250 Oslo  
 Norway  
 Tel: +47 22 01 60 00  
 Web page: [www.abgsc.se](http://www.abgsc.se)

### Financial advisors and lead managers

ABG Sundal Collier AB  
 P.O. Box 7269  
 SE-103 89 Stockholm  
 Sweden  
 Tel: +46 (0)8-566 286 00  
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### Legal advisor

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 Tel: +46 (0)8-402 72 00  
 Web page: [www.corpnordic.com](http://www.corpnordic.com)

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### Company's auditor

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