



TERMS AND CONDITIONS

East Finland Real Estate Oy

Up to EUR 10,500,000
Junior Secured Callable Bonds 2018/2022

ISIN: FI4000306808

14 February 2018

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



CASTRÉN & SNELLMAN

CONTENTS

1	DEFINITIONS AND CONSTRUCTION.....	4
	1.1 Definitions	4
	1.2 Construction	12
2	STATUS OF THE BONDS.....	12
3	USE OF PROCEEDS	13
4	ESCROW ACCOUNT	13
5	CONDITIONS PRECEDENT.....	14
6	CONDITIONS SUBSEQUENT	15
7	TRANSFER RESTRICTIONS	15
8	BONDS IN BOOK-ENTRY FORM	15
9	RIGHT TO ACT ON BEHALF OF A BONDHOLDER.....	16
10	PAYMENTS IN RESPECT OF THE BONDS	16
11	INTEREST	16
12	REDEMPTION AND REPURCHASE OF THE BONDS	17
	12.1 Redemption at maturity	17
	12.2 Repurchase of Bonds.....	17
	12.3 Voluntary total redemption (call option)	17
	12.4 Mandatory early partial prepayment due to a Mandatory Cash Sweep Amount	18
	12.5 Mandatory repurchase due to a Change of Control (put option).....	18
	12.6 General	18
13	TRANSACTION SECURITY	18
14	INFORMATION TO BONDHOLDERS.....	19
	14.1 Information from the Issuer	19
	14.2 Information from the Agent.....	20
	14.3 Publication of Finance Documents and reports	20
15	FINANCIAL COVENANTS	20
	15.1 Maintenance Covenants	20
	15.2 Testing of Maintenance Test.....	20
16	GENERAL UNDERTAKINGS	21
	16.1 General	21
	16.2 Budgeted net operating income	21
	16.3 Distributions	21
	16.4 Nature of business	21
	16.5 No additional Financial Indebtedness	21
	16.6 Restrictions on loans out and guarantees	21
	16.7 Restrictions on disposal of assets	21
	16.8 Restrictions on acquisitions.....	22
	16.9 Negative pledge.....	22
	16.10 Dealings with related parties	22
	16.11 Sanctions	22
	16.12 Insurances	23
	16.13 Opening Date	23
	16.14 Authorisations	23
	16.15 Maintenance of the Properties.....	24
	16.16 Environmental matters	24
17	EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	24
	17.1 Non-payment	24
	17.2 Maintenance Test	24
	17.3 Other obligations	24
	17.4 Cross-acceleration	24
	17.5 Insolvency	25
	17.6 Insolvency proceedings	25
	17.7 Mergers and demergers	25
	17.8 Creditors' process	25
	17.9 Continuation of the business	25
	17.10 Impossibility or illegality	25
	17.11 Abandonment	25
	17.12 Ownership of MREC.....	25
	17.13 Major damage	25

	17.14	Ownership of the Properties	26
	17.15	Acceleration of the Bonds	26
18		ALLOCATION OF PROCEEDS	26
19		DECISIONS BY BONDHOLDERS	27
20		BONDHOLDERS' MEETING	29
21		WRITTEN PROCEDURE.....	29
22		AMENDMENTS AND WAIVERS.....	30
23		APPOINTMENT AND REPLACEMENT OF THE AGENT AND THE SECURITY AGENT	30
	23.1	Appointment of Agent and the Security Agent	30
	23.2	Duties of the Agent and the Security Agent	31
	23.3	Limited liability for the Agent and the Security Agent	32
	23.4	Replacement of the Agent and the Security Agent	32
24		APPOINTMENT AND REPLACEMENT OF THE ISSUING AND PAYING AGENT.....	34
25		NO DIRECT ACTIONS BY BONDHOLDERS.....	34
26		PRESCRIPTION	34
27		NOTICES AND PRESS RELEASES	34
	27.1	Notices.....	34
	27.2	Press releases	35
28		TAXATION	35
29		GOVERNING LAW AND JURISDICTION	35

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

Accounting Principles	means the generally accepted accounting principles in Finland, including IFRS (as of the date on which IFRS becomes applicable to the Issuer).
Act on Noteholders' Agent	means the Finnish Act on Noteholders' Agent (574/2017, as amended, in Finnish <i>laki joukkolainanhaltijoiden edustajasta</i>).
Adjusted Nominal Amount	means the aggregate Outstanding Nominal Amount of all Bonds, less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Bonds.
Affiliate	means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, " control " when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms " controlling " and " controlled " have meanings correlative to the foregoing.
Agency Agreement	means the fee agreement entered into between the Agent and the Issuer on or prior to the First Issue Date, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.
Agent	means Nordic Trustee Oy, business identity code 2488240-7, Mikonkatu 1B, 00100 Helsinki, Finland, or another party replacing it, as Agent, in accordance with these Terms and Conditions.
Bondholder	means the person who is registered in the register maintained by the CSD pursuant to Clause 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (in Finnish <i>omistaja</i>) or nominee (in Finnish <i>hallintarekisteröinnin hoitaja</i>) with respect to a Bond.
Bondholders' Meeting	means a meeting among the Bondholders held in accordance with Clause 20 (<i>Bondholders' Meeting</i>).
Bond	means a debt instrument of the type referred to in Clause 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended, in Finnish <i>velkakirjalaki</i>) (in Finnish <i>joukkovelkakirja</i>) and which is governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.
Book-Entry Securities System	means the Infinity system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.
Book-Entry System Act	means the Finnish Act on Book-Entry System and Clearing Operations (348/2017, as amended, in Finnish <i>laki arvo-osuusjärjestelmästä ja selvitystoiminnasta</i>).
Business Day	means a day on which the deposit banks are generally open for business in Helsinki.
Business Day Convention	means the first following day that is a CSD Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a CSD Business Day.

Change of Control	means the occurrence of an event or series of events after the First Issue Date whereby Ajanta Oy and Mr. Mikael Salmivuori together cease to control, directly or indirectly, equal to or more than 30 per cent. of the shares and voting rights of the Issuer.
Compliance Certificate	means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying the Mandatory Cash Sweep Amount (if relevant) and satisfaction and compliance with the Maintenance Test that so far as it is aware no Event of Default has occurred and is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. When the Compliance Certificate is provided in connection with a Mandatory Cash Sweep Amount or a Maintenance Test, the certificate shall include calculations and figures in respect of the Mandatory Cash Sweep Amount and the Maintenance Test (as applicable).
CSD	means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki.
CSD Business Day	means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.
Escrow Account	means a bank account of the Issuer, into which the Total Proceeds will be paid and which has prior to the Issue Date been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement blocked for access by the Issuer.
Escrow Account Bank	means Nordea Bank AB (publ), Finnish Branch.
Escrow Account Pledge Agreement	means the pledge agreement entered into between the Issuer and the Agent prior to the Issue Date, including evidence of perfection of the Security over the Escrow Account, in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time (excluding any amounts of Transaction Costs payable to the Sole Bookrunner), granted in favour of the Agent and the Bondholders (represented by the Agent).
EUR or Euro	means the single currency of the Participating Member States.
Event of Default	means an event or circumstance specified in any of the Clauses 17.1 (<i>Non-Payment</i>) to and including Clause 17.9 (<i>Continuation of the Business</i>).
Final Redemption Date	means 14 February 2022.
Finance Documents	means: <ul style="list-style-type: none"> (a) these Terms and Conditions; (b) the Transaction Security Documents; (c) the Intercreditor Agreement; (d) the Agency Agreement; (e) the Escrow Account Pledge Agreement; and (f) any other document designated by the Issuer and the Agent as a Finance Document.
Financial Advisor	means Prudentus Capital Oy.
Financial Indebted-	means any indebtedness in respect of:

ness	<ul style="list-style-type: none"> (a) monies borrowed or raised, including Market Loans; (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the Accounting Principles; (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead); (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a) - (f).
Financial Report	means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clause 14.1 (<i>Information from the Issuer</i>).
First Call Date	means the date falling twenty-four (24) months after the First Issue Date.
First Issue Date	means 14 February 2018.
Group	means the Issuer, MREC and all Subsidiaries of the Issuer from time to time and Group Company shall mean each such company.
IFRS	means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.
Initial Bonds	means the Bonds issued on the First Issue Date.
Insolvent	means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (120/2004, as amended, in Finnish <i>konkurssilaki</i>) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Bondholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (47/1993, as amended, in Finnish <i>laki yrityksen saneerauksesta</i>) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.
Intercreditor Agreement	means an intercreditor agreement to be entered into on or prior to the Senior Bank Debt Effective Date between, among others, each senior creditor providing the Senior Bank Debt, the Agent, the Security Agent, the Group Companies and all shareholders of the Issuer.
Interest	means the interest on the Bonds calculated in accordance with Clause 11 (<i>Interest</i>).

Interest Payment Date	means 14 February and 14 August of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 14 August 2018 and the last Interest Payment Date shall be the relevant Redemption Date.
Interest Period	means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).
Interest Rate	means the aggregate amount of (i) a fixed cash interest of 6.0% p.a. payable semi-annually in arrears (the Cash Interest) and (ii) a PIK interest of 9.0% p.a. compounded semi-annually in arrears (the PIK Interest).
Issuer	means East Real Estate Finland Oy, business identity code 2572242-1, c/o Ajanta Oy, Pohjoisranta 4 A 1, FI-00170 Helsinki, Finland.
Issue Date	means the First Issue Date and any subsequent date when issuance of Subsequent Bonds takes place.
Issuing and Paying Agent	means Nordea Bank AB (publ), Finnish Branch, or any other party replacing the same as issuing and paying agent in accordance with the regulations of the CSD.
Loan to Value	means the proportion (expressed as a percentage) that (i) the outstanding principal amount of the Senior Bank Debt, (ii) the Outstanding Nominal Amount of the Bonds and (iii) other Financial Indebtedness of the Group bear to the aggregate market value of the Properties as set out in the latest Valuation.
Maintenance Test	has the meaning ascribed to such term in Clause 15.1 (<i>Maintenance Test</i>) and 15.2 (<i>Testing of Maintenance Test</i>).
Make Whole Amount	<p>means a price equivalent to the sum of:</p> <p>(a) the present value on the relevant record date of 107.5 per cent. of the Outstanding Nominal Amount as if such payment originally should have taken place on the Interest Payment Date falling twenty-four (24) months after the First Issue Date; and</p> <p>(b) the present value on the relevant record date of the remaining coupon payments, less any accrued but unpaid Interest, through and including the date falling twenty-four (24) months after the First Issue Date,</p> <p>each calculated by using a discount rate of 50 basis points over the comparable German government bond rate (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling twenty-four (24) months after the First Issue Date) and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.</p>
Mandatory Cash Sweep Amount	<p>means, for the purpose of determining the possible mandatory early partial prepayment as set out in Clause 12.4 (<i>Mandatory early partial prepayment due to a Mandatory Cash Sweep Amount</i>), an amount on the Test Date that the funds standing to the credit of the bank accounts of the Group (excluding any blocked accounts) and other comparable liquidity exceed EUR 500,000:</p> <p>(a) after all operating costs and expenses, any due costs and expenses of the creditors and any due amounts under the financing arrangements</p>

of the Group have been paid;

- (b) excluding adequate reserves that have been funded to pay taxes and projected capital expenditures when due;
- (c) excluding any equity-like injections which has been made to the Group during the last six (6) months; and
- (d) provided that such Mandatory Cash Sweep Amount shall not be less than EUR 200,000,

to be determined by reference to the Compliance Certificate delivered with the reports referred to under Causes 14.1(a)(i)-(ii) (*Information from the Issuer*) (as applicable).

Market Loan

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

Material Adverse Effect

means a material adverse effect on **(i)** the business, financial condition or operations of the Group taken as a whole, **(ii)** the Issuer's ability to perform and comply with its payment obligations under these Terms and Conditions, or **(iii)** the validity or enforceability of these Terms and Conditions.

MREC

means East Gate Development KOy business identity code 2579969-9, c/o Ajanta Oy, Pohjoisranta 4 A 1, FI-00170 Helsinki, Finland

Nominal Amount

has the meaning set forth in Clause 2(b) (*Status of the Bonds*).

Outstanding Nominal Amount

means the outstanding Nominal Amount of each Bond from time to time less any prepayments and redemptions made on or in respect of the Bonds.

Opening Date

means the date on which the Project is opened to the public.

Participating Member States

means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Pension Loans

means loans from Finnish pension insurance companies granted by such company to a member of the Group as a result of the re-borrowing of pension funds deposited with that company by a member of the Group.

Permitted Debt

means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) incurred under the Senior Bank Debt;
- (c) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (d) arising under any interest rate hedging transactions in respect of payments in respect of the Senior Bank Debt, but not any transaction for investment or speculative purposes;
- (e) incurred under any Pension Loans, Shareholder Loans (subject to the Intercreditor Agreement), or intra-group loans between the Group Companies (subject to the Intercreditor Agreement);
- (f) incurred under finance or capital leases relating to geothermal heat-

ing/cooling system or in the ordinary course of business of the Group, provided that the aggregate capital value of all such items so leased under outstanding leases by the Group Companies does not exceed EUR 2,000,000 (or its equivalent in other currency or currencies) at any time; and

- (g) any other Financial Indebtedness not covered under (a) - (f) above in an aggregate maximum amount of EUR 100,000 (or its equivalent in other currency or currencies).

Permitted Security means:

- (a) any Security granted under the Bonds; and
(b) the Senior evidenced by the Senior Bank Debt Security Documents.

Permitted Share Issue means an issue of ordinary shares by the Issuer paid for in full in cash upon issue and where such issue does not lead to a Change of Control.

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

Project means the development of Zsar Outlet Village Phase 1 on the Properties.

Properties means leasehold properties (each a **Property**) with registration numbers:

- (a) 935-429-5-45-L2 (relating to real estate properties with registration numbers 935-1-9901-1, 935-429-5-45, 935-429-5-56, 935-429-6-59 and 935-429-6-107); and
(b) 935-429-6-121-L1 (relating to real estate property with registration number 935-429-6-30),

in each case registered and capable of being mortgaged (with the first priority) and including any buildings, structures, furnishings, fittings, constructions, constituents and appurtenances (in Finnish *kiinteistön aineisosat ja tarpeisto*) situated thereon.

Record Date means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Bonds when such payment is made through the Book-Entry Securities System, the end of the first (1st) CSD Business Day prior to, as applicable, **(i)** an Interest Payment Date, **(ii)** the day on which default interest is paid, **(iii)** a Redemption Date or **(iv)** a date on which a payment to the Bondholders is to be made under Clause 18 (*Allocation of Proceeds*);
(b) in relation to a Bondholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 20(c) (*Bondholders' Meeting*) or Clause 21(c) (*Written Procedure*), as applicable; and
(c) otherwise, the end of the fifth (5th) CSD Business Day prior to another relevant date.

Redemption Date means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and Repurchase of the Bonds*).

Reference Date means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding. The first Reference Date shall be 30 June 2018 for the purposes of the Maintenance Test.

Reference Period	means each period of twelve (12) consecutive calendar months.
Review Date	means the date occurring twelve (12) months from the Opening Date.
Secured Obligations	means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Issuer or by some other person) of the Issuer and each other Group Company to the Secured Parties under each of the Finance Documents, together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents.
Secured Parties	means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).
Securities Act	means the U.S. Securities Act of 1933, as amended.
Security	means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Agent	means the security agent holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee Oy on the First Issue Date.
Senior Bank Debt	means the senior bank debt in the amount not exceeding at any time the aggregate amount of EUR 17,000,000 that MREC shall obtain for financing of the Project.
Senior Bank Debt Effective Date	means the date on which the Senior Finance Documents in relation to the Senior Bank Debt for EUR 17,000,000 has been executed by and between MREC as borrower, the Issuer as security provider and each senior creditor providing the Senior Bank Debt.
Senior Bank Debt Guarantee	has the meaning given to that term in Clause 5(a)(xi) (<i>Conditions precedent</i>) below.
Senior Bank Debt Guarantee Amount	has the meaning given to that term in Clause 5(a)(xi) (<i>Conditions precedent</i>) below.
Senior Bank Debt Security Documents	means the relevant senior Security agreements in respect of the Senior Bank Debt purporting upon the Senior Bank Debt Effective Date to create: <ul style="list-style-type: none"> (a) first priority business mortgages in the Issuer; (b) first priority pledge over the shares in the MREC; (c) first priority pledge over bank accounts, insurances, intra-group receivables and rent receivables of the Issuer; (d) first priority pledge over bank accounts and insurances of the MREC; and (e) first priority pledge over real estate mortgages over the Properties, in each case as specified in the relevant Senior Bank Debt Security Document.
Shareholder Loans	means any shareholder loan extended by a direct or indirect shareholder of the Issuer to the Issuer, where the Issuer is the debtor, if such shareholder loan (i) according to the Intercreditor Agreement is subordinated to the obligations of the Issuer under the Finance Documents, (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (iii) according to

its terms yield only payment-in-kind interest.

Sole Bookrunner	means Prudentus Capital Oy.
Subsidiary	means a subsidiary of the Issuer according to Chapter 1 Section 6 of the Finnish Accounting Act (1336/1997, as amended, in Finnish <i>kirjanpitolaki</i>) (or under such provision as may replace this provision).
Subsequent Bonds	means any Bonds issued after the First Issue Date on one or more occasions.
Test Date	means, for the purpose of determining the Mandatory Cash Sweep Amount and mandatory early partial prepayment as set out in Clause 12.4 (<i>Mandatory early partial prepayment due to a Mandatory Cash Sweep Amount</i>), each 30 June and 31 December after the second (2 nd) anniversary of the First Issue Date.
Total Loss Event	means the occurrence of an event or series of events resulting in major damage and/or significant value loss (exceeding fifty (50) per cent. of value according to the most recent Valuation) to the Properties.
Total Nominal Amount	means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.
Total Proceeds	means the total proceeds from the issuance of the Bonds before deduction has been made for any Transaction Costs payable by the Issuer to the Sole Bookrunner for the services provided in relation to the placement and issuance of the Bonds.
Transaction Costs	means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the Bond Issue.
Transaction Security Documents	<p>means the relevant Security agreements purporting to create:</p> <ul style="list-style-type: none"> (a) initially first priority business mortgages in the Issuer that upon the Senior Bank Debt Effective Date will become second priority business mortgages in the Issuer; (b) initially first priority pledge over the shares in the MREC that upon the Senior Bank Debt Effective Date will become second priority pledge over the shares in the MREC; (c) initially first priority pledge over bank accounts, insurances, intra-group receivables and rent receivables of the Issuer that upon the Senior Bank Debt Effective Date will become second priority pledge over bank accounts, insurances, intra-group receivables and rent receivables of the Issuer; (d) initially first priority pledge over bank accounts and insurances of the MREC that upon the Senior Bank Debt Effective Date will become second priority pledge over bank accounts and insurances of the MREC; and (e) initially first priority pledge over real estate mortgages over the Property that upon the Senior Bank Debt Effective Date will become second priority pledge over real estate mortgages over the Property, <p>in each case as specified in the relevant Transaction Security Document.</p>
Transaction Security	means the Security granted to secure the Secured Obligations pursuant to the Transaction Security Documents.
Valuation	means any valuation report of the Properties, prepared by a Valuer in the form

of an authorised property valuation on the basis of the market value of the Properties addressed to the Agent (representing the Bondholders).

Valuer

means **(i)** FSP Retail Business Consultants, London office; **(ii)** Cushman & Wakefield, London office, **(iii)** any other independent leading retail business consultant or commercial real estate broker agency based in London having proven experience on outlet business, or **(iv)** any other reputable surveyor or valuer approved in advance by the Agent (representing the Bondholders) in writing.

Written Procedure

means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 21 (*Written Procedure*).

1.2

Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (i) **assets** includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a **regulation** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an **Event of Default** is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Helsinki time.
- (b) A notice shall be deemed to be sent by way of press release if it is made available to the public within Finland promptly and in a non-discriminatory manner.
- (c) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website (www.ecb.int). If no such rate is available, the most recently published rate shall be used instead.
- (d) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2

STATUS OF THE BONDS

- (a) The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees, and by acquiring Bonds, each subsequent Bondholder confirms, **(i)** that the Bonds shall benefit from and be subject to the Finance Documents and **(ii)** agrees to be bound by these Terms and Conditions and the other Finance Documents.
- (c) The Nominal Amount of each Bond is EUR 1,000 (the **Nominal Amount**). The maximum total nominal amount of the Initial Bonds is EUR 10,500,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The Issuer's shareholder Ajanta Oy will subscribe for Bonds in a minimum amount corresponding to the amount of outstanding shareholder loans granted by Ajanta Oy to the Issuer. Ajanta Oy will pay for Bonds subscribed by it by way of con-

verting its outstanding shareholder loans into Bonds. In the case Ajanta Oy's subscription exceeds the amount of shareholder loans granted by Ajanta Oy to the Issuer, any exceeding amount shall be fully paid in cash by Ajanta Oy at an issue price of 100 per cent.

- (d) The Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN (unless rejected by CSD), the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 10,500,000 unless a consent from the Bondholders is obtained in accordance with Clause 19(e) (*Decisions by Bondholders*). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 11(a) (*Interest*), and otherwise have the same rights as the Initial Bonds.
- (e) The minimum permissible investment upon issuance of the Bonds is EUR 100,000.
- (f) Except as set out in Clause 7 (*Transfer restrictions*) below, and subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferrable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (g) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3 USE OF PROCEEDS

The Issuer shall apply the Total Proceeds from the issue of Bonds:

- (a) *firstly* towards the payment of the Transaction Costs;
- (b) *secondly* towards the financing of the Project; and
- (c) *thirdly* towards the financing of general corporate purposes of the Group.

4 ESCROW ACCOUNT

- (a) The payment of the Total Proceeds to the Escrow Account is subject to the Agent having received documents and evidence of the Escrow Account Pledge Agreement being duly executed and perfected.
- (b) Upon certification (in form of an invoice or a comparable document) by the Sole Bookrunner of the amount of the Transaction Costs payable by the Issuer to it, the Agent shall instruct the Escrow Account Bank:
 - (i) to pay 50 per. cent of the amount of the Transaction Costs to the Sole Bookrunner; and
 - (ii) after the fulfilment of the conditions precedent set out in Clause 5(a) below to pay the remaining Transaction Costs to the Sole Bookrunner.
- (c) The disbursement of funds from the Escrow Account to the Issuer up to EUR 6,000,000 (the **First Tranche**) is subject to **(i)** the fulfilment of the conditions precedent set out in Clause 5(a) below and **(ii)** the fulfilment of the payments as set out in Clause 4(b) above.

- (d) The disbursement of remaining funds from the Escrow Account to the Issuer in excess of EUR 6,000,000 after the release of the First Tranche is subject to the fulfilment of the conditions precedent set out in Clauses 5(a) and 5(c) below.
- (e) The payment instructions referred to in Clause 4(b) above and Clauses 5(b) and 5(c) below to be delivered by the Agent to the Escrow Account Bank shall be in writing and duly signed by the Agent and may be delivered in electronic format (such as a pdf-copy attached to an email) subject to that the Agent shall deliver an original (paper format) version of each payment instruction to the Escrow Account Bank within fourteen (14) days from the date of the respective payment instruction.

5

CONDITIONS PRECEDENT

- (a) The Issuer shall provide, or procure the provision of, to the Agent duly executed copies of:
 - (i) certificate of registration and articles of association for the Issuer and MREC;
 - (ii) a copy of a resolution from the board of directors of the Issuer approving the issue of the Bonds, the terms of the Finance Documents to which it is a party, the terms of the issuing agency agreement with the Issuing and Paying Agent and the Agency Agreement with the Agent and resolving to enter into such documents and authorising specified Person(s) to approve and execute any other documents necessary in connection therewith;
 - (iii) a copy of a resolution from the board of directors of MREC approving the terms of the Finance Documents to which it is a party and resolving to enter into such documents and authorising specified Person(s) to approve and execute any other documents necessary in connection therewith;
 - (iv) evidence that the Finance Documents and the issuing agency agreement with the Issuing and Paying Agent have been duly executed;
 - (v) in a written form a promise from a senior creditor to grant the Senior Bank Debt in the amount not exceeding at any time the aggregate amount of EUR 17,000,000;
 - (vi) evidence (in form of a certified copy of the signed agreement) that the main construction contract (in Finnish *pääurakkasopimus*) by and between East Gate Development KOy and Salpausselän Rakentajat Oy relating to the construction of the Project has been duly executed on 2 January 2018;
 - (vii) evidence (in form of a certificate addressed to the Agent and signed by a managing director and a board member of the Issuer) that relevant building permits in relation to the Project are in place;
 - (viii) evidence (in form of a broker's letter for the insurances addressed to the Agent) that relevant insurances in relation to the Project are in place;
 - (ix) evidence (in form of a statement from the auditor of the Issuer) that an equity-like injection of at least EUR 2,000,000 have been invested in the Issuer in January 2018;
 - (x) evidence (in form of a certificate addressed to the Agent and signed by a managing director and a board member of the Issuer) that the Issuer have binding lease agreements reaching an occupancy rate of at least 30% for the Project;
 - (xi) evidence in form of the executed copy of the relevant agreement that Mr. Ari Salmivuori (or alternatively a reputable Nordic financial institution under the supervision of the Finnish Financial Supervisory Authority) has granted a guarantee securing the Senior Bank Debt (of the original senior creditor that has committed into the financing in this connection) (the **Senior Bank Debt Guarantee**) in an amount 40 per cent. of the Senior Bank Debt (of the original senior creditor that has committed into the financing in this connection) (the **Senior Bank Debt Guarantee Amount**);
 - (xii) an agreed form Compliance Certificate; and

- (xiii) such other documents and information as is agreed between the Agent and the Issuer.
- (b) When the conditions precedent for disbursement set out in Clause 5(a) above have been received by the Agent and subject to the fulfilment of the payments set out in Clause 4(b) (*Escrow Account*) above, the Agent shall instruct the Escrow Account Bank to release the First Tranche as set out in Clause 4(c) (*Escrow Account*) above.
- (c) When the Agent has received evidence (in form of a statement from the auditor of the Issuer) that an additional equity-like injection has been invested in the Issuer after 1 January 2018 so that the cumulative equity injections after 1 January 2018 are at least EUR 4,000,000, the Agent shall instruct the Escrow Account Bank to release the remaining funds from the Escrow Account to the Issuer as set out in Clause 4(d) (*Escrow Account*) above and the Agent shall thereafter or in connection therewith release the pledge over the Escrow Account.
- (d) The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct and true, and the Agent does not have to verify or assess the contents of any such documentation. The conditions precedent set out in Clauses 5(a) and 5(c) above are not reviewed by the Agent from a legal or commercial perspective on behalf of the Bondholders.

6 CONDITIONS SUBSEQUENT

The Issuer shall within thirty (30) days from the first disbursement of funds from the Escrow Account provide evidence that the Transaction Security has been perfected.

7 TRANSFER RESTRICTIONS

- (a) No Bondholder may offer, sell, pledge or otherwise transfer any Bond except:
 - (i) to the Issuer;
 - (ii) outside the United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the Securities Act;
 - (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available);
 - (iv) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act; or
 - (v) pursuant to an effective registration statement under the Securities Act,
 provided however that in each case a transfer is made in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.
- (b) The Issuer makes no representation as to the availability of an exemption from registration provided by Rule 144 of the Securities Act.

8 BONDS IN BOOK-ENTRY FORM

- (a) The Bonds will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- (b) Each Bondholder consents to the Issuer having a right to obtain information on the Bondholders, their contact details and their holdings of the Bonds registered in the Book-Entry Securities System, such as information recorded in the lists referred to in Clauses 2 and 3 of Section 3 of Chapter 6 of the Book-Entry System Act kept by the CSD in respect of the Bonds and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing and Paying Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing and Paying Agent, as applicable.

- (c) The Agent and the Issuing and Paying Agent shall have the right to obtain information referred to in Clause 8(b) (*Bonds in Book-Entry Form*) from the CSD in respect of the Bonds if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing and Paying Agent is at any time on its behalf entitled to obtain information referred to in Clause 8(b) (*Bonds in Book-Entry Form*) from the CSD in respect of the Bonds.
- (d) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent or the Issuing Paying Agent, as notified by the Agent or the Paying Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney given to the Agent and/or the Issuing and Paying Agent unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (e) The Issuer, the Agent and the Issuing and Paying Agent may use the information referred to in Clause 8(b) (*Bonds in Book-Entry Form*) only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Bonds and shall not disclose such information to any Bondholder or third party unless necessary for the before-mentioned purposes.

9 RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 9(b) (*Right to act on behalf of a Bondholder*) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

10 PAYMENTS IN RESPECT OF THE BONDS

- (a) Any payment or repayment under the Finance Documents, or any amount due or in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder at the Record Date prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- (b) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Date. Interest shall accrue in accordance with Clause 11(c) (*Interest*) during such postponement.
- (c) If payment or repayment is made in accordance with this Clause 10 (*Payments in respect of the Bonds*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (d) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

11 INTEREST

- (a) Each Initial Bond carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) the Interest Payment Date fall-

ing immediately prior to its issuance up to (but excluding) the relevant Redemption Date.

- (b) Interest accrues during an Interest Period.
 - (i) Payment of Cash Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
 - (ii) On each Interest Payment Date for the preceding Interest Period the PIK Interest in respect of the Bonds shall be capitalized so as to form part of the Outstanding Nominal Amount, and shall thereafter carry Interest at the Interest Rate in accordance with this Clause 11 (*Interest*).
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate from (and including) the date such payment was due up to (but excluding) the date of actual payment. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing and Paying Agent or the CSD, in which case the Interest Rate shall apply instead.

12 REDEMPTION AND REPURCHASE OF THE BONDS

12.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a CSD Business Day, then the redemption shall occur on the first following CSD Business Day.

12.2 Repurchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds provided that if such purchase is made through a public offer, possibility to tender must be made to all Bondholders. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

12.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equivalent to the Make Whole Amount, together with accrued but unpaid interest;
 - (ii) the date falling twenty-four (24) months after the First Issue Date to, but not including, the date falling thirty (30) months after the First Issue Date at a price equivalent to 107.5 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
 - (iii) the date falling thirty (30) months after the First Issue Date to, but not including, the date falling thirty-six (36) months after the First Issue Date at a price equivalent to 106.0 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
 - (iv) the date falling thirty-six (36) months after the First Issue Date to, but not including, the date falling forty-two (42) months after the First Issue Date at a price equivalent to 104.5 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest; and
 - (v) the date falling forty-two (42) months after the First Issue Date to, but not including, the Final Redemption Date at a price equivalent to 103.0 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest.

- (b) Redemption in accordance with Clause 12.3(a) (*Voluntary total redemption (call option)*) shall be made by the Issuer giving not less than twenty (20) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer and the Issuing and Paying Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

12.4 Mandatory early partial prepayment due to a Mandatory Cash Sweep Amount

- (a) After the second (2nd) anniversary of the First Issue Date, the Issuer shall make a partial prepayment together with accrued but unpaid interest and a premium of 2.00 per cent. on the prepaid amount in aggregate corresponding to the Mandatory Cash Sweep Amount on the date falling fifteen (15) Business Days from the delivery of the Compliance Certificate evidencing the Mandatory Cash Sweep Amount (or if the relevant date is not a CSD Business Day, on the first subsequent CSD Business Day).
- (b) Due to a partial prepayment in accordance with Clause 12.4(a) above all outstanding Bonds shall be partially prepaid by way of reducing the Outstanding Nominal Amount of each Bond *pro rata*.
- (c) The Mandatory Cash Sweep Amount is applied only to the extent, the aggregate amount of the Outstanding Nominal Amount of the Bonds (excluding any compounded PIK Interest) remains higher than the outstanding principal amount of the Senior Bank Debt as set out in the Compliance Certificate evidencing the Mandatory Cash Sweep Amount.

12.5 Mandatory repurchase due to a Change of Control (put option)

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 14.1(g) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 14.1(g) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 14.1(g). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.4(a).

12.6 General

The Issuer 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 Clause 12 (*Redemption and repurchase of the Bonds*), the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 12 (*Redemption and repurchase of the Bonds*) by virtue of the conflict.

13 TRANSACTION SECURITY

- (a) No later than the date of disbursement from the Escrow Account in accordance with Clause 4(a) (*Escrow Account*), the Issuer shall grant the Transaction Security pursuant to the Transaction Security Documents.

- (b) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and MREC grants on or in connection with the First Issue Date the Transaction Security to the Secured Parties as represented by the Security Agent.
- (c) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Transaction Security Documents. The Issuer and MREC shall enter into the Transaction Security Documents and perfect the Transaction Security in accordance with the Transaction Security Documents.
- (d) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- (e) The Agent shall be entitled to release all Transaction Security upon the discharge in full of the Secured Obligations.

14 INFORMATION TO BONDHOLDERS

14.1 Information from the Issuer

- (a) The Issuer shall:
 - (i) prepare and deliver to the Agent the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors not later than four (4) months after the expiry of each financial year;
 - (ii) prepare and deliver to the Agent the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors not later than two (2) months after the expiry of each relevant interim period; and
 - (iii) arrange for that the latest version of the Terms and Conditions to be available for delivery from the Agent.
- (b) The reports referred to under Causes 14.1(a)(i)-(ii) (*Information from the Issuer*) shall be prepared in accordance with the applicable Accounting Principles.
- (c) The Issuer shall:
 - (i) in connection with the delivery of the reports referred to under Clauses 14.1(a)(i)-(ii) (*Information from the Issuer*); and
 - (ii) at the Agent's request, within twenty (20) days from such a request, issue to the Agent a Compliance Certificate (setting out in reasonable detail the relevant computations) in respect of **(i)** the financial covenants as set out in Clause 15 (*Financial Covenants*), **(ii)** the Mandatory Cash Sweep Amount (together with the outstanding principal amount of the Senior Bank Debt) on each Test Date and **(iii)** any equity-like injection required under these Terms and Conditions.
- (d) The Issuer shall, in connection with the Opening Date, provide to the Agent and the relevant Valuer the budgeted net operating income of the Group for the next twelve (12) months, calculated from the Opening Date.
- (e) After the Opening Date, the Issuer shall annually together with the delivery of the reports referred to under Clause 14.1(a)(i) (*Information from the Issuer*) and the Compliance Certificates deliver to the Agent a new Valuation.

- (f) The Issuer shall, within ten (10) Business Days from the Review Date, provide to the Agent management accounts together with the actual net operating income of the Group, delivered through a Compliance Certificate, for the period starting from the Opening Date and ending on the Review Date.
- (g) The Issuer shall promptly notify the Agent when the Issuer is or becomes aware of **(i)** the occurrence of a Change of Control, or **(ii)** that an Event of Default has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 14.1 (*Information from the Issuer*) if informing the Agent would not conflict with any applicable laws.
- (i) The Issuer shall, subject to the regulations of the CSD and applicable laws, be entitled to obtain information of the Bondholders from the CSD and the CSD shall be entitled to provide such information to the Issuer. Furthermore, the Issuer shall, subject to the regulations of the CSD and applicable laws, be entitled to acquire from the CSD a list of the Bondholders, provided that it is technically possible for the CSD to maintain such a list.

14.2 Information from the Agent

Subject to the restrictions of any applicable law or regulation, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

14.3 Publication of Finance Documents and reports

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available for review on the website of the Agent and during normal business hours at the office of the Agent.
- (b) The latest versions of the other Finance Documents and the reports referred to under Clause 14.1(a)(i)-(ii) (*Information from the Issuer*) above shall be available to the Bondholders for review at the office of the Agent during normal business hours and the Agent may send any of the documents referred to herein by e-mail to the relevant Bondholder or its representative.

15 FINANCIAL COVENANTS

15.1 Maintenance Covenants

- (a) Loan to Value ratio: The Issuer shall ensure that:
 - (i) after twelve (12) months from the Opening Date, the Loan to Value ratio of the Group shall not be more than 80% at any time; and
 - (ii) after twenty-four (24) months from the Opening Date, the Loan to Value ratio of the Group shall not be more than 70% at any time.
- (b) Equity Ratio: The Issuer shall ensure that the equity ratio of the Group shall be at least 20% at all times.

15.2 Testing of Maintenance Test

The Maintenance Test shall be tested on each Reference Date with respect to the Relevant Period ending on such Reference Date and calculated based on the most recently delivered Valuation. The first test date shall be 30 June 2018.

16 GENERAL UNDERTAKINGS**16.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 15 (*General Undertakings*) for as long as any Bonds remain outstanding.

16.2 Budgeted net operating income

- (a) If the budgeted net operating income (valued by the Valuer) of the Group for the next twelve (12) months, calculated from the Opening Date is less than EUR 1,500,000, the Issuer shall obtain an equity-like injection of no less than EUR 2,000,000 in the Issuer as soon as possible and no later than within thirty (30) Business Days from the Opening Date.
- (b) If **(i)** the budgeted net operating income on the Opening Date has been equal to or more than EUR 1,500,000 (and, thus, no equity-like injection has been required), but **(ii)** the actual net operating income (as evidenced by management accounts delivered through a Compliance Certificate in accordance with Clause 14.1(f) (*Information from the Issuer*) above) of the Group at the Review Date is less than EUR 1,500,000, the Issuer shall obtain an equity-like injection of no less than EUR 2,000,000 in the Issuer as soon as possible and no later than within thirty (30) Business Days from the Review Date.

16.3 Distributions

Other than **(A)** a Permitted Share Issue, **(B)** guarantee fees in relation to the Senior Bank Debt Guarantee in the amount not exceeding two (2) per cent. of the remaining Senior Bank Debt Guarantee Amount per annum as long as no Event of Default is continuing and **(C)(i)** conversion of Shareholder Loans into equity (restricted and/or unrestricted) of the Issuer) and **(ii)** conversion of Shareholder Loans into the Bonds provided that such conversion has been made no later than 28 February 2018 and the conversion amount shall not exceed EUR 2,000,000, the Issuer shall not **(i)** pay any dividend on its shares, **(ii)** repurchase any of its own shares, **(iii)** redeem its share capital or other restricted equity with repayment to shareholders, **(iv)** repay any Shareholder Loans or other subordinated loans or capitalized or accrued interest thereunder, or **(v)** make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer (as applicable), or any Affiliates.

16.4 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

16.5 No additional Financial Indebtedness

The Issuer shall not, and shall procure that no member of the Group will, incur any additional Financial Indebtedness, provided however that the Issuer and the members of the Group have a right to incur Financial Indebtedness that constitutes Permitted Debt.

16.6 Restrictions on loans out and guarantees

The Issuer shall not, and shall procure that no member of the Group will, extend any loans or grant any guarantees which do not constitute Permitted Debt.

16.7 Restrictions on disposal of assets

The Issuer shall not, and shall procure that no member of the Group, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

16.8 Restrictions on acquisitions

The Issuer shall not, and shall procure that no member of the Group will, make any acquisition or investment (including granting any loans and guarantees to its Subsidiaries or joint ventures) other than the Project.

16.9 Negative pledge

- (a) The Issuer shall not, and shall procure that no member of the Group, provide, prolong or renew any Security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security, and retain, but not prolong or renew, any existing Security in relation to indebtedness held by an entity acquired.
- (b) The shareholders of the Issuer shall not provide any Security over any of its shares in the Issuer and none of the shareholders of the Issuer shall provide any Security over any Shareholder Loan.

16.10 Dealings with related parties

The Issuer shall, and shall procure that each member of the Group, conduct all dealings with the direct and indirect shareholders of the Group Companies and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

16.11 Sanctions

The Issuer shall not (and the Issuer shall ensure that no member of the Group will) directly or, to the best of its knowledge and belief, indirectly, contribute or otherwise make available the proceeds of any Bond Issue to any Person or entity (whether or not related to any member of the Group) for the purpose of financing the activities of any Person or entity which, at the time of such financing, is listed on any Sanctions List or which is otherwise a designated target of the Sanctions or using the proceeds for the purposes of carrying out business operations that are subject to Sanctions, to the extent such contribution or provision would result in the Issuer or any member of the Group being in a breach of any Sanctions applicable to the Issuer or such member of the Group.

Sanctions means:

- (a) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution;
- (b) U.S. sanctions or trade embargoes imposed, administered or enforced by the Office of Foreign Assets Control of the U.S Department of Treasury (**OFAC**);
- (c) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU's Common Foreign and Security Policy;
- (d) UK sanctions implemented, administered or enforced by Her Majesty's Treasury (**HMT**);
- (e) economic sanctions, embargoes or other restrictive measures administered, enacted or enforced by the Finnish Government; and
- (f) any other economic sanctions or trade embargoes imposed, administered or enforced by any other relevant sanctions authority (as recognised and implemented by Finnish Government),

together the **Sanctions Authorities**.

Sanctions List means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the "Consolidated List of Financial Sanctions Targets" maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

16.12 Insurances

- (a) The Issuer and each member of the Group must ensure that with respect to each Property:
- (i) at all times during the construction period the following insurances are maintained in full force and effect:
 - a. construction all risk insurance (in Finnish *rakennus- ja asennustyövuakuutus*); and
 - b. insurance against third party liability risk;
 - (ii) at all times from the First Issue Date until the Opening Date the following insurance is maintained in full force and effect:
 - a. the delay in start-up insurance covering the loss of at least 12 months' rental income;
- (b) at all times from the Opening Date the following insurances are maintained in full force and effect:
- (i) insurance of the Properties against the risk of fire and any other risks against which commercial properties are generally insured from time to time for full reinstatement value (in Finnish *täysarvovakuutus*) including terrorism insurance (such terrorism insurance with EUR 3,000,000 local standard cover);
 - (ii) the business interruption insurance covering the loss of at least 24 months' rental income; and
 - (iii) insurance against third party liability risk,
- in each case at minimum covering risk in accordance with sound commercial insurance practice.
- (c) The Issuer and each member of the Group must procure that the Security Agent (as agent for the Bondholders) is named as beneficiary under each of the insurances (other than Liability Insurance and insurance covering contractor's equipment, tools and machinery) but without liability on the part of the Security Agent or any other Secured Party for any premium in relation to those insurances.
- (d) The Issuer and each member of the Group shall procure that such information shall be given to the Security Agent in connection with the insurance of any Property and copies of the cover note of the insurance policies as the Security Agent may reasonably require and will notify the Agent of material variations or cancellations of policies made or threatened or pending.
- (e) The Issuer and each member of the Group shall ensure that no change to any terms or conditions applicable to the insurance relating to any Property is agreed, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed).
- (f) If a Total Loss Event occurs, the Issuer shall, to the extent and as soon as possible obtain and present to the Agent a written confirmation from the relevant insurers that the claim relating to the Total Loss Event has been accepted in full.

16.13 Opening Date

The Issuer and each member of the Group must procure that the Opening Date shall occur no later than sixteen (16) months from the First Issue Date.

16.14 Authorisations

The Issuer shall (and shall ensure that each member of the Group will) promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any authorisation required under any law or regulation of its jurisdiction of incorporation or establishment to:

- (i) enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation or establishment of any Finance Document; or
- (ii) own its assets and carry on its business as it is being conducted.

16.15 Maintenance of the Properties

The Issuer shall (and shall ensure that each member of the Group will) ensure that as long as any Bonds are outstanding:

- (a) the Properties are managed properly and maintained in good condition; and
- (b) the Properties are not demolished or altered in a way that would have a Material Adverse Effect.

16.16 Environmental matters

The Issuer shall (and shall ensure that each member of the Group will):

- (a) comply with all environmental law;
- (b) obtain, maintain and ensure compliance with all requisite environmental approvals; and
- (c) implement procedures to monitor compliance with and to prevent liability under any environmental law,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

17 EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

Each of the events or circumstances set out in this Clause 17 (*Events of Default and Acceleration of the Bonds*) (other than Clause 17.11 (*Acceleration of the Bonds*)) is an Event of Default.

17.1 Non-payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days of the due date.

17.2 Maintenance Test

The Issuer fails to comply with any of the Maintenance Tests.

17.3 Other obligations

The Issuer does not comply with any provision under the Finance Documents, in any other way than as set out in Clause 17.1 (*Non-Payment*) or Clause 17.2 (*Maintenance Test*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

17.4 Cross-acceleration

Any Financial Indebtedness in respect of the Senior Bank Debt or any other Financial Indebtedness of a member of the Group is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under

this Clause 17.4 (*Cross-acceleration*) if the aggregate amount of Financial Indebtedness declared to be or otherwise becoming due and payable is less than EUR 500,000.

17.5 Insolvency

- (a) Any member of the Group is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than the Bondholders) with a view to rescheduling its Financial Indebtedness;
- (b) a moratorium is declared in respect of the Financial Indebtedness of any member of the Group.

17.6 Insolvency proceedings

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

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (in Finnish *yrityssaneeraus*) (by way of voluntary agreement, corporate restructuring scheme of arrangement or otherwise) of any member of the Group; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Group or any of its assets or any analogous procedure or step is taken in any jurisdiction.

17.7 Mergers and demergers

A decision is made that any member of the Group shall be demerged or merged.

17.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any member of the Group having an aggregate value of an amount equal to or exceeding EUR 500,000 and is not discharged within sixty (60) days.

17.9 Continuation of the business

The Issuer or any member of the Group ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

17.10 Impossibility or illegality

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable.

17.11 Abandonment

The Issuer or MREC abandons all or a significant part of the Project for a continuous period of 90 days or more.

17.12 Ownership of MREC

The Issuer ceases to own and control directly 100% of the shares and voting rights of the MREC.

17.13 Major damage

Any part of any Property or the Project is destroyed or damaged, taking into account the amount and timing of receipt of the proceeds of insurance effected in accordance with these Terms and Conditions, the destruction or damage has or will have a Material Adverse Effect.

17.14 Ownership of the Properties

MREC ceases to own and control directly 100% of the Properties.

17.15 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders **(i)** by notice to the Issuer, declare all, but not only some, of the Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Redemption Date), and **(ii)** exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (c) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (d) In the event of an acceleration of the Bonds in accordance with this Clause 17 (*Events of Default and acceleration of the Bonds*), the Issuer shall before the First Call Date redeem all Bonds with an amount equal to the amount set forth in Clause 12.3(a)(i) (*Voluntary total redemption (call option)*) and thereafter as applicable according to Clause 12.3 (*Voluntary total redemption (call option)*) considering when the acceleration occurs.

18 ALLOCATION OF PROCEEDS

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 17 (*Events of Default and acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
 - (i) *first*, in or towards payment *pro rata* of **(i)** all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), **(ii)** other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent, **(iii)** any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 23.2(g), and **(iv)** any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 19(c) (*Decisions by Bondholders*);
 - (ii) *secondly*, towards payment of accrued Interest unpaid under the Bonds;
 - (iii) *thirdly*, in or towards payment of principal under the Bonds; and
 - (iv) *fourthly*, in or towards payment of any other costs or outstanding amounts unpaid under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (i)-(iv) above shall be paid to the Issuer.
- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 18(a)(i) above, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 18(a)(i).

- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 18 (*Allocation of Proceeds*) as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 18 (*Allocation of Proceeds*), the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 10(a) (*Payment in respect of the Bonds*) shall apply.

19

DECISIONS BY BONDHOLDERS

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if **(i)** the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or **(ii)** the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or who has been provided with a power of attorney pursuant to Clause 9 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
 - (i) at the Record Date on the CSD Business Day specified in the notice of the Bondholders' Meeting pursuant to Clause 20(c), in respect of a Bondholders' Meeting, or
 - (ii) at the Record Date on the CSD Business Day specified in the communication pursuant to Clause 21(c), in respect of a Written Procedure,
 may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 21(c):
 - (i) waive a breach of or amend an undertaking set out in Clause 16 (*General undertakings*);
 - (ii) release the security provided under the Security Documents;
 - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (iv) amend any payment day for principal or interest amount or waive any breach

- of a payment undertaking, or
- (v) amend the provisions regarding the majority requirements under these Terms and Conditions.
 - (f) Any matter not covered by Clause 19(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 21(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 22(i) or (Clause 22(ii))), an acceleration of the Bonds, or the enforcement of any Transaction Security.
 - (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 19(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
 - (i) if at a Bondholders' Meeting, attend the meeting in Person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
 - (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 20(a)) or initiate a second Written Procedure (in accordance with Clause 21(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 19(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
 - (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
 - (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
 - (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
 - (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
 - (m) All costs and expenses properly incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
 - (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) its Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.

- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the website of the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

20**BONDHOLDERS' MEETING**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to the CSD and each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 20(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 23.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 20(a).
- (c) The notice pursuant to Clause 20(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights at the meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in Person.

21**WRITTEN PROCEDURE**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 21(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 21(a) shall include **(i)** each request for a decision by the Bondholders, **(ii)** a description of the reasons for each request, **(iii)** a specification of the CSD Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, **(iv)** instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and **(v)** the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 21(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 19(e) and 19(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 19(e) or Clause 19(f), as the

case may be, even if the time period for replies in the Written Procedure has not yet expired.

22 AMENDMENTS AND WAIVERS

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 22(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 14.3 (*Publication of Finance Documents and reports*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

23 APPOINTMENT AND REPLACEMENT OF THE AGENT AND THE SECURITY AGENT

23.1 Appointment of Agent and the Security Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent and the Security Agent to act as its agent, security agent and representative pursuant to the Act on Noteholders' Agent and Security Agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in all matters set out in the Act on Noteholders' Agent and particularly in any legal or arbitration proceedings relating to the Bonds held by such Bondholder or relating to the Transaction Security including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 23.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applica-

ble) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- (e) Each of the Agent and the Security Agent is entitled to fees for their respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent and/or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

23.2 Duties of the Agent and the Security Agent

- (a) Each of the Agent and the Security Agent shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or any Guarantee on behalf of the Bondholders. However, the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, the Agent and the Security Agent are always acting with binding effect on behalf of the Bondholders. The Agent and the Security Agent shall carry out their respective duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person and no opinion or advice by the Agent or the Security Agent will be binding on the Bondholders.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial conditions of the Issuer or compliance by the Group with the terms of the Finance Documents (unless to the extent expressly set out in the Finance Documents) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent (as applicable) pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering **(i)** an event which the Agent reasonably believes is or may lead to an Event of Default or **(ii)** a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent (as applicable) from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 18 (*Allocation of proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is 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.
- (i) If in the Agent's or the Security Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Each of the Agent and the Security Agent shall give a notice to the Bondholders **(i)** before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or **(ii)** if it refrains from acting for any reason described in Clause 23.2(i).

23.3 Limited liability for the Agent and the Security Agent

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or willful misconduct or unless otherwise provided for in the Act on Noteholders' Agent. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to it or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with Clause 19 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 17.15.
- (e) Neither the Agent nor the Security Agent is liable for information provided to the Bondholders by or on behalf of the Issuer or by any other Person.
- (f) Any liability towards the Issuer which is incurred by the Agent or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

23.4 Replacement of the Agent and the Security Agent

- (a) Subject to Clause 23.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or Security Agent (as applicable) at a Bondholders' Meeting convened by the retiring Agent and/or retiring Security Agent (as applicable) or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 23.4(f), if the Agent and/or the Security Agent (as applicable) is Insolvent, removed by the Finnish Financial Supervisory Authority from the public register of Noteholders' Agents referred to in the Act on Noteholders' Agent or is no longer independent of the Issuer, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or Security Agent (as applicable) and the Issuer

shall within ten (10) Business Days appoint a successor Agent and/or Security Agent (as applicable) which shall be an independent financial institution or an independent reputable company which regularly acts as agent under debt issuances and which is registered (if required to be so registered by the Act on Noteholders' Agent) in the public register of noteholders' agents referred to in the Act on Noteholders' Agent.

- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or a new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or Security Agent (as applicable) be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent (as applicable) within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or an independent reputable company which regularly acts as agent under debt issuances and which is registered (if required to be so registered by the Act on Noteholders' Agent) in the public register of noteholders' agents referred to in the Act on Noteholders' Agent.
- (e) The retiring Agent and/or retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent (as applicable) may reasonably request for the purposes of performing its functions as Agent and/or Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or successor Security Agent (as applicable) and acceptance by such successor Agent and/or successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security Agent (as applicable) shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent and/or as Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 23.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent (as applicable) may reasonably require for the purpose of vesting in such new Agent and/or new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent (as applicable) and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent and/or the New Security Agent (as applicable) agrees otherwise, the new Agent and/or the New Security Agent (as applicable) shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

24 APPOINTMENT AND REPLACEMENT OF THE ISSUING AND PAYING AGENT

- (a) The Issuer appoints the Issuing and Paying Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing and Paying Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing and Paying Agent at the same time as the old Issuing and Paying Agent retires or is dismissed. If the Issuing and Paying Agent is Insolvent, the Issuer shall immediately appoint a new Issuing and Paying Agent, which shall replace the old Issuing and Paying Agent as issuing and paying agent in accordance with these Terms and Conditions.

25 NO DIRECT ACTIONS BY BONDHOLDERS

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*yrityssaneeraus*) or bankruptcy (*konkursi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 25(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 23.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 23.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 23.2(j) before a Bondholder may take any action referred to in Clause 25(a).
- (c) The provisions of Clause 25(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 12.5 (*Mandatory repurchase due to a Change of Control (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

26 PRESCRIPTION

- (a) The right to receive payment of the principal of or interest on the Bonds shall be prescribed and become void three years from the date on which such payment became due.
- (b) If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (728/2003, as amended, in Finnish *laki velan vanhentumisesta*), a new limitation period of at least three (3) years will commence.

27 NOTICES AND PRESS RELEASES**27.1 Notices**

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch;
 - (ii) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or

letter for all Bondholders. A Notice to the Bondholders shall also be published on the website of the Agent.

- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 27.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 27.1(a).
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

27.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 12.3 (*Voluntary total redemption (call option)*), 12.4 (*Mandatory early partial prepayment due to a Mandatory Cash Sweep Amount*), 12.5 (*Mandatory repurchase due to a Change of Control (put option)*), 19(o), 20(a), 21(a) and 22(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 27.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

28 TAXATION

The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issues, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law.

29 GOVERNING LAW AND JURISDICTION

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- (b) Any dispute, controversy or claim arising out of or relating to the Terms and Conditions, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce of Finland. The number of arbitrators shall be one (1). The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be English.
- (c) Clauses 29 (*Governing Law and Jurisdiction*) (a) and (b) above shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

[Signature page to follow]

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

Place: Helsinki, Finland

Date: ____ February 2018

For and behalf of

East Finland Real Estate Oy

as Issuer

By:

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

Place: Helsinki, Finland

Date: ____ February 2018

Nordic Trustee Oy

as Agent

By: