



DOMETIC GROUP AB (PUBL)

(incorporated in Sweden as a public company with limited liability under registration number 556829-4390)

€1,500,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Dometic Group AB (publ) (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €1,500,000,000 (or the equivalent in other currencies).

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area. Application will be made to the Irish Stock Exchange Plc trading as Euronext Dublin (the "**Euronext Dublin**") for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and trading on its main securities market (the "**Market**"). This Base Prospectus constitutes a "Base Prospectus" for the purposes of the Prospectus Directive as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**"). References in this Base Prospectus to the Notes being listed (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of MiFID II. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market (or any other stock exchange).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*" and collectively, the "**Conditions**") of Notes will be set forth in a Final Terms document ("**Final Terms**"). Each Final Terms, with respect to Notes to be listed on Euronext Dublin, will be delivered to the Central Bank of Ireland and Euronext Dublin. Each Series (as defined in "*Overview of the Programme – Method of Issue*") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Note, the "**Global Notes**"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Tranches of Notes may be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

Amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), the London Interbank Offered Rate ("**LIBOR**") or the Stockholm Interbank Offered Rate ("**STIBOR**"), which are provided by the European Money Markets Institute ("**EMMI**"), the ICE Benchmark Administration Limited ("**ICE**") and the Swedish Bankers' Association ("**SBA**"), respectively. As at the date of this Base Prospectus, ICE does appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). As at the date of this Base Prospectus, EMMI and the SBA do not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the BMR. As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply such that EMMI and the SBA are not currently required to obtain authorisation or registration. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Base Prospectus.

Dealers

Deutsche Bank

Nordea Bank AB (publ)

SEB

Arranger for the Programme

Nordea Bank AB (publ)

The date of this Base Prospectus is 16 May 2018.

*This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and its subsidiaries taken as a whole ("**Domestic**" or the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "**Documents Incorporated by Reference**").*

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus or in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee or any of the Dealers or the Arranger (as defined in "Overview of the Programme**"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with any issue and offering of the Notes under the Programme.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory requirements.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "**Subscription and Sale**".**

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

MIFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into**

consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

To the fullest extent permitted by law, none of the Dealers, the Arranger or the Trustee accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, a Dealer or the Trustee or on its behalf in connection with the Issuer on the issue and offering of the Notes. The Arranger, each Dealer and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers or the Trustee that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger or the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger or the Trustee.

In connection with the issue of any Tranche (as defined in "*Overview of the Programme – Method of Issue*"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to a "member state" are references to a member state of the European Economic Area, references to "EUR", "€" and "euro" are to the currency introduced at the start of the third stage of the European Economic and monetary union, and as defined in Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, to "GBP", "£" and "Sterling" are to pounds sterling, to "SEK" and "Swedish Kronor" are to the currency of the Kingdom of Sweden and to "U.S.\$", "\$" and "U.S. dollars" are to United States dollars.

This Base Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of Dometic are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Dometic's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Dometic's present and future business strategies and the environment in which it expects to operate in the future. Important factors that could cause their actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in this Base Prospectus:

- changes in international, national and local economic, political, business, industry and tax conditions;
- changes in underlying consumer behaviour;
- the ability of Dometic to renew contracts with key customers;
- changes in technology;
- changes in regulation;
- the ability to generate the funds needed to service Dometic's debt;
- the effects of operating and financial restrictions in Dometic's debt instruments and other factors affecting Dometic's leverage;
- the ability of Dometic to successfully develop and expand the range of products offered;
- the ability of Dometic to retain or replace key personnel; and
- changes in Dometic's business strategy, development and investment plans.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of Dometic speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed with the Central Bank of Ireland and Euronext Dublin and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the audited annual consolidated financial statements of the Issuer in respect of the year ended 31 December 2017 (the "**2017 Financial Statements**") and the audit report from PricewaterhouseCoopers AB in respect of the 2017 Financial Statements, as set out on pages 63–67 (inclusive), 72–102 (inclusive) and 104–106 (inclusive) of the Issuer's annual report for 2017:
https://cdn.dometic.com/-/media/files/investors/financial-reports/2017_dometic_annual_report_en.pdf
2. the audited annual consolidated financial statements of the Issuer in respect of the year ended 31 December 2016 (the "**2016 Financial Statements**") and the audit report from PricewaterhouseCoopers AB in respect of the 2016 Financial Statements, as set out on pages 61–65 (inclusive), 70–98 (inclusive) and 100–102 (inclusive) of the Issuer's annual report for 2016:
<https://cdn.dometic.com/-/media/cision/financial-reports/2017-03-17/en/dometic-annual-report.pdf>
3. the unaudited interim consolidated financial statements of the Issuer in respect of the three-month period ended 31 March 2018 (the "**2018 Interim Financial Statements**") as set out on pages 7–10 (inclusive) and 12-18 (inclusive) of the Issuer's interim report for the first three months of 2018:
<https://www.dometic.com/en/se/about-us/investors/financial-reports/2018/report-on-the-first-quarter-2168975>

save, that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, during usual business hours at the specified offices of the Issuing and Paying Agent. For the avoidance of doubt, any information incorporated by reference in the information incorporated by reference from 1 to 3 above shall not be incorporated in or to form part of, this Base Prospectus. Non-incorporated parts are either not relevant for an investor or are covered elsewhere in this Base Prospectus.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with Notes issued under the Programme

The demand for the Group's products is dependent on general economic conditions, consumer spending and sentiment towards the products

The Group's business is primarily focused on providing products that are used in leisure vehicles (RVs and Pleasure boats), Trucks, Premium cars or used in connection with other leisure activities. Consumer purchases of these products tend to decline during economic downturns when disposable income is lower. Since the 1970s, major declines in the global financial markets or any challenging condition in the macroeconomic environment have negatively impacted consumer spending and the Group believes this has adversely affected the sales of its products during such periods. Some of the Group's markets are particularly susceptible to general economic conditions because sales of RVs and Pleasure boats depend on discretionary consumer spending. Accordingly, the Group is particularly vulnerable to economic downturns or other adverse events that have a negative effect on consumer confidence in any of the markets in which it operates (whether as a result of actual or perceived economic slowdowns), especially those which have a negative effect on the American and European economies, as sales in the Americas and EMEA accounted for in the aggregate 88 per cent. of the Group's total net sales for the year ended 31 December 2017 and 90 per cent. for the three months ended 31 March 2018. Accordingly, an economic downturn affecting any of the Group's key markets could have a material adverse effect on the Group's business, financial condition and results of operations.

The market for the Group's products is competitive and competitors may be better equipped for competing in the market

The Group operates in many niche markets with partly different competitors in each business area and region respectively. The Group faces price competition, as well as competition based on other factors, such as product development, design, quality and service offering among others. The Group's competitors may be able to succeed in marketing, product development or other innovation, which may result in increased competitive pressures for some of the Group's operations. Several of the Group's competitors focus only on a small range of products and therefore may outpace the Group in developing new or advanced products in their specialised product areas. There is a risk that the Group will need to make costly investments, restructurings or price cuts in order to adapt to a new competitive situation (for example if a competitor enters one of the Group's niche markets with a better product or can produce products at a lower price) which could negatively impact the Group's current margins.

If the Group does not compete successfully, its share of industry sales, sales volumes and selling prices may be adversely affected, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

If the Group fails to continue to innovate and provide customers with products to meet their expectations, the Group's competitiveness in the marketplace may be materially adversely affected

The Group must continue to invest in the innovation and design of its products in order to attract and retain consumers. If the Group is unable to anticipate consumer preferences, or if the Group is unable to modify its products in line with customer needs, the Group may lose customers or become subject to greater pricing

pressures and the Group's operating results may also suffer. Any failure on the Group's part to innovate and design new products or modify existing products may hurt the Group's brands and could result in a decrease of market shares and net sales. There is a risk that the Group will not be able to continue designing products that meet customers' needs in a cost-effective and timely basis, or at all. Furthermore, the Group may not be able to focus on the right projects for innovation, or successfully develop or offer new competitive products. If the Group is unable to continue designing new and competitive products, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Demand for the Group's products is dependent on consumer demand for underlying products and consumers' attitude towards leisure activity

The sales of the Group's products depend on underlying consumer demand, especially within RV and Marine (the market for Pleasure boats) for both OEM and Aftermarket (the market for replacement products and sales to end-customers). Should consumer costs for fuel increase and then remain at a higher level for an extended period of time, consumer demand in the RV and Marine sectors could decline as a result. Other factors which increase the costs for consumers to operate RVs or boats could also have the effect of reducing consumer demand in these sectors. Demand may increase or decrease significantly as a result of changes in customers' taste and desire for certain products. Customers of the Group's products often consider owning and using an RV to be a lifestyle choice rather than only a specific holiday alternative. Should the Group's customers no longer view owning an RV as a lifestyle, or if customers' attitudes towards the industry become negative for any reason, for example following a major incident causing safety concerns relating to the Group, its products, RVs or leisure activity in general or other scandals affecting one or several of the Group's customers, the Group may experience a decrease in demand. If consumer demand were to decline it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's ability to meet demand for its products may be limited by unanticipated shifts in customer demand or delivery failures by the Group's suppliers

Although the Group has flexible manufacturing operations that can respond to surges in demand, even when all of the Group's manufacturing / assembly sites are running at full production, there is a risk that the Group will not be able to satisfy unanticipated, exceptionally high levels of demand. Also, certain of the Group's products have a high order to delivery lead time of between 45 and 65 days, which inhibits the Group's capacity to respond quickly to changes in customer demand. Further, the Group's ability to meet customer demand may be limited by supply constraints of key materials. The Group's inability to meet customer demand for the Group's products could have a material adverse effect on the Group's business, financial condition and results of operations.

There is a consolidation trend among OEMs that could cause pricing pressure and the loss of major customers which could have a material adverse effect on the business of the Group

In the recent decades there has been gradual consolidation among OEMs across business areas. In particular, there has been increased consolidation among RV manufacturers (OEMs), resulting in more concentrated purchasing power, which leads to pricing pressure on suppliers to OEMs in Americas. There is a risk that the Group may experience increasing price pressure due to consolidation among OEMs, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's ten largest customers, the vast majority of which were RV OEM customers, represented 36 per cent. of the Group's total net sales for the year ended 31 December 2017. The Group's five largest customers in the RV business area represented 29 per cent. of the Group's total net sales for the year ended 31 December 2017. Customer concentration is higher in Americas than in EMEA and APAC and the ongoing consolidation trend among OEMs is stronger in Americas. In addition, 22 per cent. of the Marine OEM net sales was attributed to the Group's five largest customers in the Marine business area for the year ended 31 December 2017. A decision by any of these major customers—whether motivated by competitive conditions, financial difficulties, change of ownership, change of management or otherwise—to significantly decrease the products purchased from the Group, or to change its business relations with the Group, could have a material adverse effect on the Group's business, financial condition and results of operations. If the consolidation trend continues or increases, there is a risk that any problems related to the loss of one or several customers would be exacerbated.

Loss of the Group's management and other key employees, or an inability to attract such management or other key employees, could impact the Group's business

The Group depends significantly on the continued services of its existing management and key employees and on its ability to recruit, retain and train skilled personnel within production, product development and specialised areas, particularly professionals with experience in the business and operations of the Group and of the markets in which it operates. If these qualified and skilled employees leave or if the Group is unable to attract, retain, train and motivate additional qualified and skilled employees (for example through the development program for management or other initiatives for training talents), the Group may experience difficulties conducting its operations. If the Group were to lose any of its key employees and either fail to replace them or experience significant expense or delay in replacing them, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Volatility and disruption of the capital and credit markets and adverse changes in the global economy may adversely impact the ability of consumers to access financing negatively, which could have a material adverse effect on the Group's business, financial condition and results of operations

Consumers of the Group's products, especially end-consumers of RVs and Pleasure boats, generally depend on consumer financing to make large purchases, especially in the RV business area (the RV business area amounted to 65 per cent. of the Group's net sales for the year ended 31 December 2017 and 55 per cent. for the three months ended 31 March 2018.). Volatility and disruption of the capital and credit markets and adverse changes in the U.S., European and global economies may negatively impact the end-consumers' ability to access financing, which may have a material adverse effect on the Group's sales, profitability and financial condition. For example, during the global economic and financial downturn which began in 2008, consumers who sought to purchase RVs or Pleasure boats incorporating the Group's products experienced a significant decline in the availability of financing. The subsequent improvement in the availability of financing from banks and financial providers was a major driver for the recovery in the sales of many of the Group's products, including in the RV business segment. Any disruptions to or a stall in the growth of the financial markets or a decline in the availability of financing, may materially adversely impact the Group's sales. Furthermore, the availability of financing may affect the liquidity of the Group's independent distributors and customers, which could also have a material adverse effect on the Group's sales. The Marine business area is susceptible to similar pressures during an economic downturn as many lenders tighten lending to end-consumer financing of Marine products and exit the market for Marine floorplan financing, which provides credit to dealers and manufacturers. Due to the above, the Group may be especially impacted by the limited availability of credit to consumers. The occurrence or continuation of such market disruptions could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in weather patterns and seasonal weather fluctuations may have a material adverse effect on the Group's business, financial condition and results of operations

A majority of the Group's sales and expenses are affected by higher demand in the summer seasons, with a subsequent drop during autumn starting in August when the year's major season is coming to an end. The revenue pattern applies in Australia but during another part of the year given the country's position in the southern hemisphere. This is greater with regard to the Group's sales to the Aftermarket (but less so for its OEM sales), which comprised 39 per cent. of the Group's total sales for the year ended 31 December 2017 and 35 per cent. for the three months ended 31 March 2018. Because the market for several of the Group's products primarily relates to activities enjoyed in good weather in the summer months, a majority of the Group's Aftermarket sales occur in spring and summer. During these seasons the Group's Aftermarket sales are in turn affected by general weather conditions, which impact consumers' desire to spend time outdoors. The Group's operations may be adversely affected by unseasonably cool weather in the months of May to July, which has the effect of diminishing customer demand for the Group's products and decreasing its sales volumes. Seasonal weather fluctuations could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

Seasonal fluctuations can result in significant differences in the Group's quarter-to-quarter results, as well as, to a lesser extent, and depending on the occurrence of bad weather during a large part of the spring and summer season, year-to-year results. Although there is demand for the Group's products throughout the year, in each of the past three financial years 47 per cent. in 2015, 46 per cent. in 2016 and 47 per cent. in 2017 of the Group's total sales occurred in the five months from March through to July. As the Group's year-end figures in the audited financial statements level such seasonality, such annual figures should not

be relied upon as a benchmark of future sales and operating results measured on a quarterly basis. Similarly, quarterly sales results should not be annualised for an indication of yearly sales results.

The Group's cash requirements for the year typically peak in April to July. As the Group purchases direct materials and builds up finished goods inventory in advance of the summer selling season, the Group's inventory levels are substantially based on the Group's expectations for future net sales. However, net sales visibility is low and there is a risk that the Group will fail to achieve expected net sales during the summer selling season if the Group makes the wrong assumptions in respect of the upcoming demand. If the Group fails to accurately estimate demand during the busy selling season, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's international operations subject it to risks associated with foreign currency fluctuations

Currency risk refers to the risk of exchange-rate fluctuations having an adverse effect on the Group's consolidated income statement, balance sheet or cash flow. Foreign exchange exposure occurs in conjunction with materials and services being bought or sold in currencies other than the respective subsidiary's functional reporting currency (transaction exposure) and when non Swedish subsidiaries' assets, liabilities and operations are translated into the Group's reporting currency, SEK (translation exposure). The Group's global operations give rise to significant cash flow in foreign currency. The Group is principally exposed to changes in euro, U.S. dollar, Australian dollar and Chinese yuan compared to SEK. In addition, currency exchange-rate fluctuations can have a significant impact on the Group's capital structure and financial costs, with respect to external and intercompany indebtedness denominated in currencies other than SEK. There is a risk that fluctuations in foreign currency exchange rates, particularly the strengthening of SEK against major currencies could have a material adverse effect on the Group's business, financial condition and results of operations.

Damages to the Group's reputation may result in the Group losing business or growth opportunities

The Group is dependent on its reputation. The Group's reputation can influence the purchase decision of both new customers and existing customers. For example, quality issues, operational or logistics problems and the loss of a well-known customer or supplier could damage the Group's reputation and, thereby, have an adverse effect on the Group's ability to retain existing customers or attract new customers. In addition, the Group faces the risk that its employees and other persons affiliated with the Group, may take actions that are unethical, criminal (including, but not limited to, with respect to violation of applicable anti-corruption or anti-bribery legislation) or otherwise contravene the Group's internal guidelines and policies. Customers or suppliers could associate the Group with such misconduct, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

Inefficiencies in supply chain and inventory management may have a material adverse effect on the Group's results of operations

Inventory represents a large proportion of the Group's assets and inventory is costly to move, warehouse and handle. Efficient supply chain and inventory management is therefore important to the Group's business. Any inefficiency in managing inventory (including errors or omissions in forecasting or ordering by the Group or its customers) may result in excessive or insufficient inventory of a particular product or group of products. Even though the Group can sell products from earlier seasons, the wide product range offered by the Group can lead to excess inventory which exposes the Group to the risk that inventory may need to be impaired or discarded due to the Group's inability to sell the inventory. Conversely, insufficient inventory exposes the Group to the risk of having to purchase materials, components and finished products at higher prices in order to be able to deliver on time, to incur high costs for express freight, to pay penalties for not delivering on time or resulting in inability to meet customer demands. Accordingly, inefficiencies in supply chain and inventory management could have a material adverse effect on the Group's business, financial condition and results of operations.

Design or manufacturing defects in the Group's products or other defects may cause the Group to incur higher material costs and/or reputational issues as a result of product liability or warranty claims or related to recalls or reworks

In the event that one of the Group's products is alleged to contain a design or manufacturing defect, the Group could be required to incur costs related to product liability, warranty claims, recalling or reworking such product. A recall could divert managerial and financial resources and may adversely affect the Group's

reputation with its customers as a manufacturer of safe, quality products. The Group has experienced a number of recalls in the past, both in the United States and also in the European market. Though the Group has product recall insurance for all of its manufacturing / assembly sites, the Group's insurance policies, including product liability and product recall policies, have limits that, if exceeded, may result in substantial costs for the Group. In addition, warranty claims are not covered by the product liability insurance and certain product liability claims may also not be covered by the product liability insurance. Further, warranty expense is recorded on the date that net sales is recognised and requires significant assumptions about what costs will be incurred in the future. For example, the Group determines provisions for warranties based on historical costs for repairs. The Group may be required to record material adjustments to accruals and expenses in the future if actual costs for these warranties are different from the Group's assumptions. The Group's warranty costs have been 2.1 per cent., 2.4 per cent. and 2.3 per cent. of its net sales for the years ended 31 December 2017, 2016 and 2015, respectively and 1.8 per cent. for the 3 months ended 31 March 2018. Provisions for recalled products are based on estimations of future cash flow required to regulate commitments. Such estimations are based on the nature of the recall, the legal process, and the likely extent of damages as well as the progress of the process. If these liabilities were to increase unexpectedly, however, they could substantially reduce profit and have a material adverse effect on the Group's operations. Even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding a product recall or any assertion that the Group's products caused property damage or personal injury could significantly damage the brand identity and the Group's reputation. Design or manufacturing defects, warranty or product liability claims, whether they result in liability or not, could have a material adverse effect on the Group's business, financial condition and results of operations.

Price volatility or significant supply interruptions in direct materials could have a material adverse effect on the Group

In the manufacture of its products, the Group depends on direct materials, which are comprised of purchased component parts, semi manufactures, external products and raw materials such as steel, stainless steel, aluminum, copper and plastics. Direct materials typically accounts for approximately 70 per cent. of the Group's cost of goods sold.

An increase in the prices of direct materials may significantly increase the Group's cost of goods sold and may negatively impact the Group's margins if it is unable to effectively pass such price increases on to its customers. To the extent the cost of certain direct materials (e.g. aluminum, for awnings and windows & doors) increases substantially or freight costs due to fuel surcharges or otherwise, the Group's profitability could decline.

If the Group increases its own prices in response to increases in the prices or quantities of direct materials or components the Group requires, or encounters significant supply interruptions, the Group's competitive position could be materially adversely affected, which may result in depressed sales. Although the Group typically tries to pass increases in prices of direct materials on to its customers through price increases, there may be a delay before the Group can pass such price changes on to its customers, or the Group may not be able to pass on the increase of such costs at all. For example, in the Group's RV OEM and Aftermarket sales channels, where prices often are set annually, and in CPV OEM-channel, where typical contracts for the core products last for the entire life cycle of the vehicle, the Group is not able to pass on price increases. Additionally, the Group's purchases of direct materials and components from international suppliers are subject to risks associated with changes in, and application of, laws, regulations and policies, including those related to tariffs (such as anti-dumping and countervailing duties) and other trade barriers.

If the prices of the Group's direct materials increase, if the Group is unable to pass on price increases to its consumers or if trade barriers limit the Group's access to direct materials, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's production operations exposes the Group to operational risks in the form of service interruptions caused by breakdowns in machinery and industrial accidents

The Group operates 28 manufacturing / assembly sites in 11 countries. Machines located at one or more of these manufacturing / assembly sites could fail, leading to interruptions in service. These interruptions in service could cause product delivery delays if production cannot be taken over by other of the Group's facilities. It is also possible that repeated or extended delays could damage the Group's reputation and thus lead to a loss of customers. Shifting production to another facility could also lead to increased costs associated with moving materials and products to a distant facility.

Operating machinery also carries the risk of industrial accidents which could injure, or even cause deaths. In the event of an industrial accident, the Group may be faced with claims for damages, which are costly and time-consuming to defend. Should the Group be found liable, and should insurance coverage prove to be insufficient, the Group could be financially responsible, in whole or in part, for the injury suffered. A disruption in service at the Group's manufacturing / assembly sites or an industrial accident or injury could have a material adverse effect on the Group's business, financial condition and results of operations.

A force majeure event affecting the Group's major manufacturing / assembly sites may materially affect the Group's ability to operate and produce saleable products and a part of the Group's manufacturing capacity could be shut down for an extended period

The incidence and severity of force majeure events such as floods or natural disasters, fires, terrorism, power loss or other similar events, are inherently unpredictable, and could impede the Group's ability to operate its business and lead to the Group incurring substantial losses. In such a situation, the Group's manufacturing capacity could be reduced for an extended period and the Group could experience a loss of direct materials, work in process or finished goods inventory. The Group's property damage and business interruption insurance may be insufficient to mitigate the losses from any such event. The Group may also be unable to recover the value of the lost products or work-in-progress, as well as the sales opportunities from the products the Group would be unable to produce, and the delivery of its products to customers could be delayed and, if the delay is prolonged, could permit the Group's customers to terminate the purchase. Any of these events could harm the Group's results of operations and financial condition. Also, certain force majeure events such as war, riots, flooding, earthquakes or typhoons in certain areas where the Group has a high concentration of sales could lessen demand for its products in those areas and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's contractual counterparts may fail to fulfil their contractual obligations

The Group produces a majority of its products in-house and is dependent on external suppliers' availability, production, quality assurance and delivery in order to manufacture, sell and deliver goods. Incorrect and delayed deliveries or even non-deliveries from suppliers of various types could entail that the Group's deliveries in turn are delayed, incomplete or incorrect or that they have to be discontinued, which could result in reduced sales and an adverse impact on the Group's customer relations. Such disruptions in suppliers' deliveries could have a material adverse effect on the Group's business, financial position and results of operations.

Additionally, the Group's dealers, distributors or customers may fail to fulfill their obligations towards the Group, including the ability to sell and/or deliver the Group's products to consumers and to pay for any products delivered fully and on time. Should the Group's counterparts fail to fulfill contractual obligations to the Group, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Disruptions or breaches in the Group's IT systems may make it difficult to conduct business

The Group's production is dependent on the reliability, functionality, maintenance, operation and continuing development of its IT systems at its offices and manufacturing / assembly sites. Furthermore, IT systems are required for the Group to purchase, sell and deliver products and to invoice customers. The Group's IT systems are also important for maintaining accurate accounting and financial reporting systems. Disruptions, for example, as a consequence of upgrades to existing IT systems, or deficiencies in the function of the Group's IT systems, could disrupt the Group's ability to conduct its business, which could have a material adverse effect on the Group's business, financial condition and results of operations.

the Group is also dependent on having an advanced IT system to be able to be competitive in the market. The quality and effective utilisation of the information generated by its IT systems, and the Group's success in implementing new systems and upgrades, affects, among other things, the Group's ability to:

- carry out sales to its customers;
- conduct business with its customers, including via e-commerce;
- manage its inventory and accounts receivable;
- purchase, sell, ship and invoice products efficiently and on a timely basis; and

- maintain a cost-efficient operating model.

The integrity of the Group's IT systems is vulnerable to disruption due to forces beyond the Group's control. Further there is a risk that the Group's backup systems will not operate properly if and when required. Any disruption to or infiltration of the Group's IT systems could have a major impact on the Group's ability to service customers' needs, or result in negative publicity, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in a global environment and is consequently exposed to local business risk in many countries as well as risk associated with different legal systems and various regulations

The Group operates in a global environment and is consequently exposed to various complex, demanding and evolving legal, administrative and regulatory requirements, relating to, among others, government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other corrupt practices, regulations regarding the pricing of labour and other costs in contracts, regulations on lobbying or similar activities, regulations pertaining to internal controls over financial reporting, environmental, trade, competition and anti-trust laws and regulations, and any other applicable laws or regulations. Failure to comply with applicable laws or regulations or acts of misconduct could subject the Group to fines, penalties, and suspension or debarment from contracting, or negative effects on its reputation, which could weaken its ability to win contracts and result in reduced net sales and profits. A substantial portion of the Group's production capacity is in China. The Chinese legal system, in particular, continues to evolve rapidly and the interpretation of many laws and regulations entails uncertainties which may limit the protection available to foreign investments. Additionally, to resort to administrative and court proceedings to enforce legal protection granted by law or to enforce contractual rights may not always be successful. Administrative authorities and courts have significant discretion in interpreting and implementing statutory and contractual terms, circumstances unrelated to the legal merits of a particular matter or dispute may influence their determination. It is therefore more difficult to assess the outcome of any proceedings and the level of protection that is available than it would be in more developed legal systems. Accordingly, the factors outlined above could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, trade restrictions introduced by way of laws, policies, measures, controls or other actions implemented by the authorities in the countries in which the Group operates, or in other countries where the Group may operate in the future, as well as sanctions or other measures by associations and organisations such as the EU and UN, may restrict the Group's operations, delay or prevent planned investments or otherwise have a material adverse effect on the Group's financial results.

The Group may not be able to develop and implement systems, policies and practices to completely manage these risks or comply with applicable regulations without incurring additional costs. If any of these risks materialise it could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group's insurance coverage, contractual indemnifications and limitations on liability could prove inadequate

The Group's insurance coverage, contractual indemnifications and limitations on liability may not adequately protect the Group against liability for certain events, or against direct and consequential losses resulting from a business interruption. Moreover, there is a risk that the Group will not be able to maintain insurance at levels that it deems adequate if no insurance coverage is available or to ensure that every contract contains adequate limitations on liability. There is a risk that such insurance, indemnification and limitations on liability will not adequately protect the Group against liability from all of the hazards and risks the Group encounters in operating its business.

The occurrence of an event against which the Group is not fully insured or otherwise contractually protected or the failure of a customer or insurer to meet its indemnification towards end customers or insurance obligations, could result in substantial losses. In addition, there is a risk that insurance will not be available to cover any or all of these risks, or, even if available, those insurance premiums or other costs will rise significantly in the future, so as to make the cost of such insurance prohibitive. Any future damage caused by the Group's products or services that are not covered by insurance, are in excess of policy limits, are subject to substantial deductibles, or are not limited by contractual limitations on liability, could have a material adverse effect on the Group's business, financial condition and results of operations.

Acquisitions may expose the Group to risks and the Group may not realise the expected benefits of past or future acquisitions in the medium to long term

As part of the Group's growth strategy, the Group has in the past and may in the future acquire or invest in additional complementary companies to further build product range or geographical reach. Acquisitions may expose the Group to risks relating to, among other things, integration, negative effects on relationships with key customers, inability to retain key employees as well as difficulties in or unanticipated costs for combining the operations. There is also a risk that integration processes may take longer than expected and that anticipated synergies do not materialise, in whole or in part. The integration process may be complex, costly and time-consuming.

In addition, it is possible that the companies that the Group has acquired, or which the Group may acquire in the future, have liabilities in respect of former or existing operations which the Group has not been able to identify and assess through due diligence. In some cases the Group has not received indemnities or otherwise obtained insurance coverage for environmental and other issues which may have existed at the time the Group acquired the companies, as may be the case in relation to potential future acquisitions. Any substantial liability for remediation or damages as a result of such issues could require significant levels of expenditures.

Past and future divestments of a business may expose the Group to risks, including risks pertaining to terms and conditions for the divestment of a business, such as warranties, indemnifications and undertakings in favour of the purchaser with respect to the business divested.

If any of these risks related to past or future acquisitions or divestments were to materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to stringent environmental laws and other regulations, and the violation of, or the cost of compliance with, such laws and regulations could have a material adverse effect on the Group's operations and cash flows

The Group is subject to stringent environmental laws and regulations as a result of the nature of its business, including the use of chemicals at its manufacturing / assembly sites. Chemicals currently and historically used at some of the Group manufacturing / assembly sites include solvents/degreasing agents, cooling agents (for filling of air conditioners and refrigerators) and petroleum products. Solvents used for degreasing are currently mainly alkaline and phosphorous based. Numerous governmental and regulatory bodies enforce laws and regulations on a wide range of environmental, occupational safety and health, nuisance, zoning, land use and other regulatory matters. The Group's failure to comply with these increasingly stringent laws and regulations could subject the Group to future liabilities or result in the limitation or suspension of the sale or production of products. These laws may also provide for strict liability for damage to natural resources or threats to public health and safety, which can render a party liable without proof of negligence or fault and, if imposed by way of fine or penalty, is generally not something for which insurance can be procured. The Group may also be liable for clean-up costs and replacement costs and subject to litigation claims under these regimes. The Group has acquired, or may in the future acquire, certain manufacturing / assembly sites with existing environmental issues about which it has no knowledge and over which the Group has no control prior to its purchase of the facility, or divest certain manufacturing / assembly sites with environmental issues, and become liable for noncompliance with environmental laws. If the Group is unable to refute rulings or conclusions against it or to remedy any violations, the regulatory authorities may impose fines, criminal and administrative penalties or severe sanctions, including but not limited to enjoining the Group from carrying on certain of its business activities. The Group may also be required to pay damages to private parties, including property owners located near the Group's manufacturing / assembly sites, due to non-compliance with environmental laws and regulations, or if the Group's operations or contamination from its sites cause them personal injury, result in physical damage to their property or interfere with the enjoyment of their property rights.

The Group incurs, and expects to continue to incur, capital and operating costs to comply with the applicable environmental laws and regulations, the technical requirements of which are becoming increasingly complex and stringent and therefore more difficult to comply with. Stricter enforcement of existing laws and regulations, the introduction of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require the Group to incur costs or become the basis of new or increased liabilities that could reduce earnings and cash available for operations. If any such liabilities are not covered by insurance or otherwise exceed the Group's environmental liability

reserves, they could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group faces the risk of environmental accidents associated with the Group's operations, which could result in material costs and liabilities. The Group's operations routinely involve the handling of significant amounts of chemical substances, some of which are classified as hazardous and subject the Group to specific handling requirements, including, for example, chromate, which is used in the Group's absorption refrigerators. As is the case with manufacturers in general, if a release or threat of release of hazardous materials occurs on or from the Group's properties or any associated offsite disposal location, or if contamination from prior activities is discovered at any properties owned or operated by the Group, the Group may be held liable for response costs and damages to natural resources, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the risk of litigation, investigations and other proceedings

The Group is involved in various claims and lawsuits incidental to its business, including those involving labor relations, product liability and environmental matters, among others. The Group is also party to a number of pending lawsuits. See also "*Description of the Group – Litigation and arbitration*". Disputes, claims, investigations and proceedings may lead to the Group having to pay damages or cease certain practices. Group companies may become involved in disputes within the framework of their normal business activities and risk being subject to various claims. In addition, Group companies (or Group companies' officers, directors, employees or affiliates) may become subject to criminal investigations and proceedings. Disputes, claims, investigations and proceedings of this kind can be time consuming, disrupt normal operations, involve large claim amounts and result in considerable costs. Moreover, it can be difficult to predict the outcome of complex disputes, claims, investigations and proceedings. Given the inherent uncertainty of litigation, there is a risk that existing litigation or any future disputes, claims, investigations and proceedings could have a material adverse effect on the Group's business, financial condition and results of operations.

Strikes and other industrial actions, as well as the negotiation of a new collective bargaining agreement, could disrupt the Group's operations or make it more costly to operate its facilities

The Group is exposed to the risk of strikes and other industrial actions in accordance with applicable regulations within all of its regions. The Group is a member of employer organisations, and is thereby bound by collective bargaining agreements with employee organisations, as well as local collective bargaining agreements with the same trade unions. The collective bargaining agreements provide for annual salary increases and include general terms and conditions on, among other things, vacation entitlements, notice periods, working hours and insurance benefits. The Group may in the future experience lengthy consultations with trade unions, strikes, work stoppages or other industrial actions called by the trade unions according to law, which could result in the Group being unable to serve customers in a timely manner. Strikes and other industrial actions, and the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt the Group's operations and make it more costly to operate its facilities, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business operations could be negatively impacted if it fails to adequately protect its intellectual property rights or if third parties claim that the Group is in violation of their intellectual property rights

The Group markets and sells its products under one main brand, Dometic, as well as a number of supporting brands such as Condaria, Cruisair, MarineAir, MOBICOOL, SeaLand and WAECO. With the acquisition of Seastar Solutions in December 2017, the brand Seastar was added to the portfolio along with a number of other secondary tradenames. The Group is dependent on these brands. The Group's patent and design portfolio contains approximately 1,400 individual patents utility models and design applications and/or granted registrations in countries all over the world. Failure to protect these brand and supporting brands names and other intellectual property rights or prevent their unauthorised use by third parties could have a material adverse effect on the Group's business. These protections may not be adequate to prevent competitors from copying or reverse engineering the Group's products, or from developing and marketing products that are substantially equivalent or superior to the Group's own.

In addition, the Group faces the risk of claims that it is infringing third parties' intellectual property rights. Any such claim, even if it is without merit, could be expensive and time-consuming, could cause the Group to cease making, using or selling certain products that incorporate the disputed intellectual property, could require the Group to redesign its products, if feasible, could divert management time and attention and could require the Group to enter into costly royalty or licensing arrangements. If any of the above risks were to materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's tax liabilities could change due to any successful challenge of the Group's past or current tax positions or as a result of changes in tax laws

The Group operates through a number of subsidiaries in several countries and the Group and its subsidiaries are from time to time subject to tax reviews and audits. There are several such tax audits that are currently ongoing. There is an ongoing tax audit in Hong Kong regarding transfer pricing. The amount claimed by the authorities is HKD 221 million and the Group has made provision for this claim in the form of a cash deposit in the Group's consolidated statement of cash flows, in the amount of SEK 233 million, during the three months ended 31 March 2018. The Group is challenging with this assessment and no final decision has yet been taken. However, as requested by the tax authorities, the full amount has been deposited on a separate account with the Hong Kong Government and it is not considered as a paid tax. The amount is fully provided for in the balance sheet. Potential tax penalties have not been provided for. The tax strategies utilised by the Group are based on interpretations of the current tax laws, treaties and regulations of the various countries involved and the requirements of the relevant tax authorities. There is a risk that tax audits or reviews may result in the reduction of tax losses carry forwards or imposition of additional tax, which may be due to for example acquisitions, capital restructurings and intra-group reorganisations and transactions.

In the event that the Group's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustments with regard to a Group entity or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have a material adverse effect on the Group's business, financial condition and results of operations. On 21 March 2018, the Swedish government published a law proposal (Sw. *Nya skatteregler för företagssektorn*) which was referred to the Swedish Council on Legislation for consideration, proposing new and additional interest deduction limitation rules. The proposal contains, inter alia, a general limitation of interest deductions in the corporate sector where the cap for a deduction of net interest expenses is calculated as 30 per cent. of tax EBITDA, with certain exceptions. The rules are proposed to enter into force on 1 January 2019 and are to be applied for the first time in the financial year beginning after 31 December 2018. Under Swedish tax laws and regulations, interest deductibility is calculated for each legal entity separately and, accordingly, the new law proposals will apply to Swedish entities within the Group. If the Group's net interest expenses, following the implementation of legislation based on this proposal, represent a substantial portion in relation to its tax EBITDA, or if any other additional restriction on the deductibility of interest expenses is introduced in Sweden, the Group's tax burden could increase and this could have a negative impact on the Group's business, results of operations and financial position.

The Group's tax burden could increase if tax authorities consider that the Group does not act in accordance with applicable rules on transfer pricing

The jurisdictions in which the Group operates have rules on transfer pricing, that require intra-group transactions to be conducted on arm's length terms. The transfer pricing strategies utilised by the Group are based on the OECD Transfer Pricing Guidelines, national regulations and documented principles to determine intra-group transfer prices, which are monitored by the Group's tax function. Transactions conducted between the Group companies, such as distribution of products, IT costs, R&D services, the Group's cash-pool and intra-group loans, are, according to the Group, made on a commercial basis by application of international guidelines and national regulations. The Group's transfer pricing practices are from time to time subject to tax reviews. In the event the tax authorities in the jurisdictions where the Group operates consider the transfer prices not to be on arm's length terms and were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have a material adverse effect on the Group's business, financial condition and results of operations.

Tax losses could be partly or fully restricted, either as a result of future changes in tax laws or, under the current rules, as a result of a change of control

Tax losses may be restricted or forfeited either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control through which one holder obtains the decisive influence or several holders together hold shares, acquired during a specific time frame, representing more than 50 per cent. of the votes calculated in a certain manner. Such a change of control would forfeit historical tax losses carry forward, to the extent they exceed 200 per cent of the acquisition cost for the decisive influence (under a special calculation where contributions and other transfers of value may reduce the purchase price in a certain manner). The forfeiture or restriction on the use of the Group's tax loss carry forwards may have a significant impact on the Group's tax burden, including a potential imposition of tax surcharges, and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has tax loss carry forwards in several countries, amounting to in total SEK 2,890 million as of 31 December 2017, out of which tax losses in all the Group entities incorporated in Sweden amount to SEK 2,574 million. Deferred tax assets have been recognised in relation to SEK 2,709 million of the tax losses. Tax losses which are not activated may not be utilised within the five upcoming years.

The Group's balance sheet includes significant intangible assets including goodwill, and if these are impaired and required to be written down, it could have a material adverse effect on the Group's financial condition

The Group has significant amounts of goodwill and brands that have indefinite life and which are not amortised. As of 31 December 2017, the goodwill and trademark assets amounted to SEK 17,016 million in the aggregate. In accordance with IFRS, goodwill and intangible assets that are not amortised, but are subject to at least an annual impairment test. Pursuant to IFRS, an impairment test should be performed more frequently if there are indicators of impairment, for example:

- significant adverse changes that have taken place or are expected in the near future in the market, economic or legal environment in which the Group operates or in its markets;
- increases in interest rates or other market rates of return that may materially affect the discount rate used in calculating the asset's recoverable amount;
- the carrying amount of our net assets exceeding our market capitalisation;
- management's forecasts of future net cash inflows or operating profits showing a significant decline from previous budgets and forecasts;
- actual net cash outflows or operating profit or loss being significantly worse than budgeted; and
- operating losses or net cash outflows being forecast.

Should the Group's assumptions and estimates about future economic and financial market conditions, operating performance in the Group's cash generating units, or any other of its assumptions and estimates, including those listed above, prove to be incorrect, a future impairment test may require the Group to write down these assets, generating future impairment charges, and such write-down and impairment charges could be material. Any future impairment charges that the Group is required to record could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to competition law risks which could have a material adverse effect on its business, financial condition and results of operations

The Group is subject to competition laws in the jurisdictions in which it operates. Contractual conditions and prices in agreements that are used in the Group's operations may be subject to restrictions under such competition laws. Competition authorities have the power to initiate ex-post regulation procedures and to require a party to cease applying contractual terms and prices that are found to be anti-competitive. Competition authorities also have the power to impose fines and other sanctions as a result of non-compliance with relevant regulatory requirements.

To the extent the Group is unable to ensure compliance with applicable competition laws, the Group may be materially adversely affected by the regulatory sanctions, remedies and claims for damages as well as inability to enforce contractual terms that are found to be anti-competitive.

The Group's actual future results may differ materially from what is expressed or implied by the financial targets presented in the Base Prospectus, and investors should not place undue reliance on these targets

The financial targets set forth in this Base Prospectus (see "*Description of the Group – Financial Targets*") are the Group's expectations for the medium to long term, including net sales growth, EBIT margin net debt/EBITDA (leverage) and dividend. The actual results of the Group may differ materially from what is expressed or implied by the medium and long term financial targets. These financial targets are based upon a number of assumptions, which are inherently subject to significant business, operational, economic and other risks, many of which are outside of the Group's control. These assumptions may not continue to reflect the commercial, regulatory and economic environment in which the Group operates. If the assumptions underlying the expected market growth prove to be inaccurate and actual growth is much lower, the Group may be unable to meet its target. Similarly, for reasons both within and outside of the Group's control the Group may not be in a position to achieve net sales growth in line with the market. Accordingly, such assumptions used for setting the Group's financial targets may change or may not materialise at all. In addition, unanticipated events may have a material adverse effect on the actual results that the Group achieves in future periods whether or not its assumptions otherwise prove to be correct. As a result, the Group's actual results may vary materially from these targets and investors should not place undue reliance on them.

The Group's indebtedness or future additional indebtedness could adversely affect its financial condition, ability to operate its business, react to changes in the economy or its industry and pay its debts

The Group now has a significant amount of indebtedness. As at 31 December 2017, the Group had SEK 10,163 million of net debt and as at 31 March 2018, this amount increased to SEK 10,856 million. The Group requires a significant amount of cash to service its debt obligations.

The Group's indebtedness could have important consequences to its business, including:

- making it more difficult for the Group to satisfy its obligations with respect to its indebtedness;
- increasing the Group's vulnerability to general adverse economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby limiting cash flow available to fund working capital, capital expenditures or other general corporate requirements;
- limiting the Group's flexibility in planning for, or reacting to, changes in tax regulations, its business and the industry and making it more vulnerable to economic downturns and adverse industry conditions;
- compromising the Group's ability to exploit business opportunities and to react to competitive pressures, as compared to less indebted competitors; and
- limiting the Group's ability to obtain additional financing to fund future working capital, capital expenditures, other general corporate requirements and acquisitions.

The Group's ability to make scheduled payments, to refinance its debt on favourable terms or at all, to fund future operations and required capital expenditures will depend on the Group's future operating performance and ability to generate sufficient cash. Some aspects of the Group's future results depend on economic, financial and competitive factors and other factors beyond its control. Should the Group fail to meet its obligations under its indebtedness or breach any undertaking or covenant, it could have a material adverse effect on its business, financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes where the change of interest basis results in a lower interest return for Noteholders. Where the relevant Notes convert from a fixed rate to a floating rate, the spread on the relevant Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the relevant Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on the relevant Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Discontinuation or reformation of certain base rates described herein as "benchmarks," including LIBOR and EURIBOR

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**benchmarks**") are the subject of ongoing national and international regulatory scrutiny. This has resulted in regulatory reform and changes to existing benchmarks, with further changes anticipated. These reforms and changes may affect the manner of administration of benchmarks, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced its intention to no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR in its current form cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences.

The "*Terms and Conditions of the Notes*" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest

could be set by reference to a successor rate or an alternative reference rate following the Issuer's consultation with an Independent Adviser (as defined below) and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

Claims of Noteholders under the Notes are effectively subordinated to those of certain other creditors of the Issuer and to creditors of the Issuer's subsidiaries

Notes issued under the Programme will be unsecured and unsubordinated obligations of the Issuer. The Notes will rank equally with all of the Issuer's other unsecured and unsubordinated indebtedness; however, the Notes will be effectively subordinated to the Issuer's secured indebtedness, if any, to the extent of the value of the assets securing such transactions, and will be subject to certain preferential obligations under Swedish law, such as wages of employees.

Generally, lenders and trade and other creditors of the Issuer's subsidiaries are entitled to payment of their claims from the assets of such subsidiaries before these assets would be available for distribution to the Issuer, as direct or indirect shareholder, which would then allow for the Issuer to make payments under the Notes. Any debt that the Issuer's subsidiaries may incur in the future will also rank structurally senior to Notes issued under the Programme.

A significant part of the Group's assets and revenues are generated by the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, Notes issued under the Programme are structurally subordinated to the liabilities of the subsidiaries of the Issuer.

The Notes will constitute unsecured obligations of the Issuer

The Issuer's obligations under the Notes will be unsecured. Accordingly, any claims against the Issuer under the Notes would be unsecured claims. The Issuer's ability to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and its ability and that of the Group's subsidiaries to generate cash flows, which could be affected by, *inter alia*, the circumstances described in these risk factors. Any such factors could affect the Issuer's ability to make payment of interest and principal under the Notes.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions (as defined in the Trust Deed) on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer and the Trustee (as the case may be) will be entitled to rely upon:

- (i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes of the relevant Series for the time being outstanding; and
- (ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer and/or the Trustee (as the case may be) by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries).

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable. In addition, the Trust Deed contains provisions which allow, without the consent of the Noteholders or Couponholders, a legal entity to assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes, in the circumstances described in Condition 12 (*Meetings of Noteholders: Modification, Waiver and Substitution*) of the Notes.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Eligibility of the Notes for Eurosystem Monetary Policy

The New Global Note form has been introduced to allow for the possibility of debt instruments to be held in a manner which will allow Eurosystem eligibility. This means that any such Notes are upon issue deposited with one of the international central securities depositories as common safekeeper and does not

necessarily mean that such Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the European Central Bank from time to time. The Issuer does not give any representation, warranty, confirmation or guarantee to any investor that such Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in any such Notes should make their own conclusions and seek their own advice with respect to whether or not any such Notes constitute Eurosystem Eligible Collateral.

Because the Global Notes and the Global Certificates are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with (in the case of a CGN or a Note not to be held under the NSS) a common depository for Euroclear and Clearstream, Luxembourg, or (in the case of NGN or a Note to be held under the NSS) Euroclear and Clearstream, Luxembourg as common safekeeper. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to (in the case of CGN or a Note that is not to be held under the NSS) the common depository for Euroclear and Clearstream, Luxembourg, or (in the case of NGN or a Note that is to be held under the NSS) Euroclear and Clearstream, Luxembourg as common safekeeper for distribution to their account holders. A holder of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or the Global Registered Notes.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop (for example, because the Issuer makes a large allocation to a limited number of investors), it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the relevant rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings many not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

Inflation risk

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced by rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws of the country where the Notes are transferred or other jurisdictions. Payments of interest on the Notes, or gains realised by the Noteholders upon sale or redemption of the Notes, may be subject to taxation in their home jurisdictions or in other jurisdictions in which they are required to pay taxes. Potential investors are advised not to rely upon the tax summary included in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. This investment consideration should be read in connection with the taxation sections included in this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Dometic Group AB (publ)
Description:	Euro Medium Term Note Programme
Size:	Up to €1,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Nordea Bank AB (publ)
Dealers:	Deutsche Bank AG, London Branch Nordea Bank AB (publ) Skandinaviska Enskilda Banken AB (publ) The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to " Permanent Dealers " are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee:	Deutsche Trustee Company Limited
Issuing and Paying Agent:	Deutsche Bank AG, London Branch
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form (" Bearer Notes ") or in registered form (" Registered Notes ") only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in " <i>Selling Restrictions</i> " below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire

holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "*Global Certificates*".

- Clearing Systems:** Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
- Initial Delivery of Notes:** On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
- Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
- Maturities:** The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
- Specified Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
- Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
- Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:
- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified

Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series or

- (ii) on the basis of the reference rate set out in the applicable Final Terms

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes: Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption: Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Status of Notes: The Notes will constitute unsubordinated and unsecured obligations of the Issuer all as described in Condition 3 (*Status*).

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 11 (*Event of Default*).

Ratings: Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption: Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 7 (*Redemption, Purchase and Options*).

Withholding Tax: All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Sweden, as the case may be, unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts

as would have been received by it had no such withholding been required, all as described in Condition 9 (*Taxation*).

Governing Law:

English.

Listing and Admission to Trading:

Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom and Sweden) and Japan. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the Code) ("**TEFRA C**") or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 16 May 2018 between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 16 May 2018 has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "Tranche" means Notes which are identical in all respects.

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the interest and redemption/payment basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below)

of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. **No Exchange of Notes and Transfers of Registered Notes**

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 7(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

3. **Status**

The Notes and any Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and any Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

4. **Negative Pledge**

So long as any of the Notes remains outstanding, the Issuer undertakes that it will not, and it will procure that none of its Material Subsidiaries will, create, assume or permit to subsist, as security for any Financial Indebtedness, any Security other than any Permitted Security upon, or with respect to, the whole or any part of any of its present or future business, undertaking, assets or revenues (including any uncalled capital), unless, in any such case, the Issuer and/or the relevant Material Subsidiary, as the case may be, shall simultaneously with, or prior to, the creation or assumption of such Security and, in any other case, promptly, take any and all action necessary to procure that all amounts payable under the Notes by the Issuer are secured equally and rateably therewith to the satisfaction of the Trustee or that such other Security is provided or such other arrangement (whether or not including the giving of Security) is made as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

5. **Limitation of Indebtedness**

- (a) **Limitation of Indebtedness:** So long as any of the Notes remain outstanding, the Issuer undertakes that it will not, and will procure that none of its Material Subsidiaries will, after the Issue Date, incur any additional Financial Indebtedness (except for any Permitted Financial Indebtedness) if, on the date of the incurrence of such additional Financial Indebtedness (the "**Incurrence Date**"), immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence) the Interest Cover Ratio would be less than 2.0 to 1.0 (the "**Limitation of Indebtedness Covenant**").
- (b) **Suspension of Limitation of Indebtedness:** If on any date following the Issue Date of the first Tranche of the Notes:
 - (i) the Issuer receives an Investment Grade Rating from any Rating Agency; and
 - (ii) no Event of Default (as defined in Condition 11) has occurred and is continuing under these Conditions (the foregoing conditions in (i) and (ii) being referred to collectively as the "**Suspension Condition**"),

then, beginning on that day, and subject to the provisions of Condition 5(c), Condition 5(a) of these Conditions will cease to be effective and will not be applicable to the Issuer and its Material Subsidiaries.

- (c) **Reinstatement:** Notwithstanding the foregoing, if the Issuer and its Material Subsidiaries are not subject to the Limitation of Indebtedness Covenant with respect to the Notes for

any period of time as a result of the Suspension Condition having been met and, subsequently, the Issuer ceases to have an Investment Grade Rating from any Rating Agency, then the Issuer and its Material Subsidiaries will again be subject to the Limitation of Indebtedness Covenant in Condition 5(a). Notwithstanding the foregoing, in the event of any such reinstatement of the Limitation of Indebtedness Covenant in Condition 5(a), no action taken or omitted to be taken by the Issuer or any Material Subsidiary prior to such reinstatement will give rise to any default or event of default under these Conditions, and all Financial Indebtedness incurred during the period (the "**Suspension Period**") from an Investment Grade Status Commencement Date to the relevant Investment Grade Status End Date, will be classified to have been incurred pursuant to clause (c) of the definition of "Permitted Financial Indebtedness". In addition, in the event of any such reinstatement, the Issuer and its Material Subsidiaries will be permitted, without causing a default or event of default under these Conditions, to honour any contractual commitments or take any actions, as long as the contractual commitments were entered into during the Suspension Period and not in anticipation of the occurrence of an Investment Grade Status End Date.

6. **Interest and other Calculations**

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f).
- (b) **Interest on Floating Rate Notes:**
- (i) **Interest Payment Dates:** Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the business day convention (the "**Business Day Convention**") specified is (A) the floating rate business day convention (the "**Floating Rate Business Day Convention**"), such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the following business day convention (the "**Following Business Day Convention**"), such date shall be postponed to the next day that is a Business Day, (C) the modified following business day convention (the "**Modified Following Business Day Convention**"), such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the preceding business day convention (the "**Preceding Business Day Convention**"), such date shall be brought forward to the immediately preceding Business Day.
- (iii) **Rate of Interest:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and

the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) *ISDA Determination*

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination*

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Stockholm time in the case of STIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or (iii) if the Reference Rate is

STIBOR, the principal Swedish office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent (at the request of the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer)) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is STIBOR, the Swedish inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is STIBOR, the Swedish inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period,

in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) *Linear Interpolation*

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period **provided however that** if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.
- (e) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (**provided that** if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest

amount of such currency that is available as legal tender in the countries of such currency.

- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount (Call) or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount (Call), Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount (Call) or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written approval of the Trustee) appoint a leading bank or financial institution engaged in

the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(i) ***Benchmark Discontinuation:***

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(i)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6(i)(iii)) and any Benchmark Amendments (in accordance with Condition 6(i)(iv)).

An Independent Adviser appointed pursuant to this Condition 6(i) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6(i)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6(i)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (x) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (y) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(i) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in

accordance with Condition 6(i)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 6(i)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 6(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 18, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer confirming (a)(i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(i), and (b) certifying that the Benchmark Amendments are, in the Issuer's opinion (following consultation with the Independent Adviser and acting in good faith), necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 6(i)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 6(b)(iii)(B)(y) and (z) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 6(i)(v).

7. **Redemption, Purchase and Options**

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).
- (b) **Early Redemption:**
- (i) **Zero Coupon Notes:**
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(c), Condition 7(d) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11 shall be the amortised face amount (calculated as provided below) (the "**Amortised Face Amount**") of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(c), Condition 7(d) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(c).
- Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(c) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 9 as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official

interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the issue date of the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept and rely without liability upon such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) (the "**Call Option Notice**") redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (Call), together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which a Call Option Notice is given shall be redeemed on the date specified in the Call Option Notice in accordance with this Condition.

In the case of a partial redemption the Call Option Notice shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as shall be reasonable and appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The "**Make Whole Redemption Price**" will, in respect of any Note, be:

- (A) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Note to be redeemed and (ii) the principal amount of such Note to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent, at which the Gross Redemption Yield on such Note at the Reference Date is equal to the Gross Redemption Yield at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin (if any); or
- (B) if "**Non-Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Note to be redeemed and (ii) the principal amount of such Note to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent, at which the yield to maturity on such Note on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin (if any),

all as determined by the Determination Agent.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as

may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of Noteholders (Change of Control):** If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice the Issuer has given notice of redemption under Condition 7(c) or 7(d) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) any person or any persons acting in concert (the "**Relevant Person**") acquire(s) (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a "**Change of Control**"), *provided that* a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer;
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
- (A) an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better), from any Rating Agency and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
- (B) a Non-Investment Grade Rating from any Rating Agency and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Ba1 to Ba2 being or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if, on the Relevant Announcement Date, the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub paragraph (A) will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 7(f) shall be construed accordingly.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 18 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Change of Control Put Period**") of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 16 at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made on the Change of Control Put Date by transfer to the bank account duly specified in the Change of Control Put Notice. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 7(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made on the Change of Control Put Date by transfer to the bank account duly specified in the Change of Control Put Notice.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7(f), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within

30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred, and, until it shall have received written notice pursuant to the Trust Deed to the contrary, the Trustee may assume without liability that no Change of Control Put Event or Change of Control or other such event has occurred.

- (g) **Purchases:** The Issuer and its Subsidiaries as defined in the Trust Deed may at any time purchase Notes (**provided that** all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8. **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 8(f)(v)) or Coupons (in the case of interest, save as specified in Condition 8(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the relevant currency maintained by the payee with a Bank.
- (b) **Registered Notes:**
 - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) ***Payments subject to Laws:*** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) ***Appointment of Agents:*** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes and (iv) one or more Calculation Agent(s) where the Conditions so require.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders.

- (f) ***Unmatured Coupons and unexchanged Talons:***
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount (Call) or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note

against presentation of the relevant Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

9. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Sweden or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Sweden other than the mere holding of the Note or Coupon or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes and the Coupons by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Section 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of a FATCA Withholding.

References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amount (Call), Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (iii) "principal"

and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

10. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11. **Events of Default**

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (i) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is (i) in the opinion of the Trustee incapable of remedy or (ii) in the opinion of the Trustee capable of remedy and is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (iii) **Cross-Default:** (A) any other present or future Financial Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (B) any such Financial Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, **provided that** the aggregate amount of the relevant Financial Indebtedness and the amount payable under the guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 11(iii) have occurred equals or exceeds EUR35,000,000 (or its equivalent in any other currency); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries, where the value of such property, assets or revenues exceeds EUR 35,000,000 (or its equivalent in any other currency or currencies) and is not discharged or stayed within 90 days; or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that the amount of indebtedness giving rise to such enforcement equals or exceeds EUR 35,000,000 (or its equivalent in any other currency or currencies); or
- (vi) **Insolvency:** any of the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of the debts of the Issuer or any of its Material Subsidiaries except, in each case, for the purposes of and

pursuant to a reconstruction, amalgamation, reorganisation or merger or consolidation whilst solvent; or

- (vii) **Winding-up:** (i) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries or (ii) the Issuer or any of its Material Subsidiaries applies or petitions for a winding up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, except, in each of the cases set out in (i) and (ii), for the purpose of and pursuant to a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved in writing by the Trustee in its sole discretion or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred or otherwise vested in the Issuer and/or any other Subsidiary of the Issuer; or
- (viii) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (ix) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or
- (x) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iv) to (vii) above,

provided that in the case of paragraphs (ii), (iii), (vii) (insofar as it relates to a Material Subsidiary), (viii) and (insofar as it relates to any of the paragraphs specifically mentioned in the proviso) (x) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

12. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee on request by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding, subject as provided in the Trust Deed. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (other than any change made pursuant to and in accordance with Condition 6(i)), (iv) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call) or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (v) to vary the currency or currencies of payment or denomination of the Notes, or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for

the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The consent or approval of the Noteholders shall not be required for any Benchmark Amendments (as defined in Condition 6(i)(iv)) made pursuant to Condition 6(i).

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

13. **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Acquired Entity or Business" means in relation to any four fiscal quarter period for the purposes of calculating the Interest Cover Ratio, any person or business acquired by any member of the Group during such four fiscal quarter period.

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iii) (if the Issuer determines that no such customary market usage is recognised or acknowledged) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"Alternative Rate" means an alternative to the Reference Rate which the Issuer determines in accordance with Condition 6(i)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the independent Adviser determines there is no such rate, such other rate as the Issuer determines (following consultation with the Independent Adviser and acting in good faith) is most comparable to the relevant Reference Rate.

"Amortisation Yield" shall be as set out in the relevant Final Terms.

"Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

"Benchmark Amendments" has the meaning given to it in Condition 6(i)(iv).

"Benchmark Event" means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for any Paying Agent, Calculation Agent the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

"Business Centre" shall be as set out in the relevant Final Terms.

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

- (ii) in the case of euro, a day on which the TARGET System is operating (a "TARGET Business Day") and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Calculation Amount**" shall be as set out in the relevant Final Terms.

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

"**Consolidated EBITDA**" means, in respect of any relevant period, the profit of the Group after:

- (i) adding back corporation tax or other taxes on income or gains (deducting if positive);
- (ii) adding back net financial items (deducting if positive);
- (iii) adding back or deducting any loss or gain against book value arising on a disposal of any asset;
- (iv) adding back (or deducting if positive) any amortisation or write-down or upward revaluation or intangible assets (for the avoidance of doubt including goodwill);
- (v) adding back (or deducting if positive) any depreciation or write-down or upward revaluation of fixed assets; and
- (vi) before taking into account (i) any dividends paid in that period by members of the Group and (ii) any Extraordinary Costs.

"**DA Selected Bond**" means the selected government security or securities agreed between the Issuer and an investment bank or financial institution of international standing determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable) as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)]+[30x(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)]+[30x(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30

- (vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)]+[30x(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30

(viii) if "Actual/Actual-ICMA" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Agent" means an investment bank or financial institution of international standing selected by the Issuer.

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"Disposed Entity or Business" means in relation to any four fiscal quarter period for the purposes of calculating the Interest Cover Ratio, any person or business sold, transferred or otherwise disposed by any member of the Group during such four fiscal quarter period.

"Early Redemption Amount" shall be as set out in the relevant Final Terms.

"EURIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a

panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

"Extraordinary Costs" means, in relation to any relevant period, any one-off, non-recurring costs (including costs associated with any acquisition, disposal or restructuring of the business of, any other subsidiary or division forming part of, the Group) incurred in, but in aggregate not exceeding SEK 150,000,000 (or its equivalent in another currency or currencies) in such relevant period, in each case provided that such costs are reported as extraordinary costs or items affecting comparability in the relevant Financial Report.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Final Redemption Amount" shall be as set out in the relevant Final Terms.

"Finance Lease" means lease or hire purchase contract, a liability under which would, in accordance with IFRS, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with IFRS in force prior to 1 January 2019 have been treated as an operating lease.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any Finance Lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (vii) 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 marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (viii) 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
- (ix) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (viii) above.

"Financial Net Payable" means, in respect of any relevant period, the sum of all interest payable, fees payable and other recurring finance charges accrued in respect of interest bearing liabilities of the Group (including the interest element of payments in respect of any Finance Leases but excluding liabilities to other members of the Group and pension liabilities) during that period (but excluding any one-off financial fees), less any interest accrued to any member of the Group during that period.

"Financial Report" means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer or any Subsidiary (as relevant) and the quarterly interim consolidated reports of the Group (which may be unaudited) or the

quarterly interim unconsolidated reports of the Issuer or any Subsidiary (as relevant) (which may be unaudited).

"Gross Redemption Yield" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper *"Formulae for Calculating Gilt Prices from Yields"* page 5, Section One: Price/Yield Formulae *"Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date"* (published 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international standing determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable).

"Group" means the Issuer and its Subsidiaries for the time being.

"Hedging Obligations" means the obligations of the Issuer or Material Subsidiary pursuant to a Hedging Transaction.

"Hedging Transaction" means a transaction entered into by the Issuer or a Material Subsidiary for the purpose of hedging any risk to which any member of the Group is exposed in its ordinary course of trading or its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes including, but not limited to:

- (i) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (ii) other agreements or arrangements designed to manage interest rates or interest rate risk;
- (iii) a securities repurchase or resale agreement or reverse repurchase or resale agreement, a securities borrowing agreement or any agreement relating to securities which is similar in effect to any of the foregoing, and, for purposes of this definition, the term securities means any capital stock, share, debenture or other debt or equity instrument, or any derivative thereof, whether issued by any private or public company, any government or agency or instrumentality thereof or any supranational, international or multilateral organisation; and
- (iv) other agreements or arrangements designed to protect the Issuer against fluctuations in currency exchange rates or commodity prices.

"IFRS" means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time);

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(i)(i).

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Basis**" shall be as set out in the relevant Final Terms.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Cover Ratio**" means as of the relevant Incurrence Date the ratio of (x) the aggregate amount of the Consolidated EBITDA of the Issuer for the period of its most recent four consecutive fiscal quarters ending prior to the date of such determination for which Financial Reports are available to (y) the aggregate amount of the Financial Net Payable of the Issuer for such four fiscal quarters (each of (x) and (y) to be calculated in accordance with IFRS by a responsible accounting or financial officer of the Issuer (using their reasonable judgment) on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the relevant additional Financial Indebtedness had been incurred at the beginning of such four fiscal quarter period and, *provided that*, Consolidated EBITDA shall be adjusted to reflect the Consolidated EBITDA of any Acquired Entity or Business or Disposed Entity or Business, as if such entity or business had been acquired or disposed of (as applicable) at the beginning of such four quarter fiscal period).

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**Investment Grade Rating**" means a rating of at least BBB- (or equivalent thereof) in the case of S&P or Fitch and a rating of at least Baa3 (or equivalent thereof) in the case of Moody's or the equivalent rating in the case of any other Rating Agency.

"**Investment Grade Status Commencement Date**" means the date on which the Limitation of Indebtedness Covenant is suspended in accordance with the terms of Condition 5(b).

"**Investment Grade Status End Date**" means the first date following an Investment Grade Status Commencement Date on which the Limitation of Indebtedness Covenant is reinstated in accordance with the terms of Condition 5(c).

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of the historic LIBOR rules can be obtained from the designed distributor);

"**Margin**" shall be as set out in the relevant Final Terms.

"**Material Subsidiaries**" means any Subsidiary of the Issuer whose net sales according to the latest Financial Report amount to at least one per cent. of the Group's consolidated net sales.

"**Maturity Date**" shall be as set out in the relevant Final Terms.

"**Maximum Rate of Interest**" shall be as set out in the relevant Final Terms.

"**Maximum Redemption Amount**" shall be as set out in the relevant Final Terms.

"**Minimum Rate of Interest**" shall be as set out in the relevant Final Terms.

"**Minimum Redemption Amount**" shall be as set out in the relevant Final Terms.

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period.

"**Optional Redemption Amount**" shall be as set out in the relevant Final Terms.

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount, the Make Whole Redemption Price and/or such other amount as may be specified in the relevant Final Terms and in each case the Optional Redemption Amount (Call) shall be specified in the Final Terms and may constitute different amounts which depend on the date of the Call Option Notice.

"**Optional Redemption Date**" shall be as set out in the relevant Final Terms.

"**Original Reference Rate**" means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Permitted Financial Indebtedness**" means:

- (i) any Financial Indebtedness of the Issuer or a Material Subsidiary in existence on the date the first Tranche of the Notes are issued;
- (ii) any Financial Indebtedness owed by a member of the Group to another member of the Group;
- (iii) any Financial Indebtedness arising in the ordinary course of business with suppliers of goods;
- (iv) any Financial Indebtedness of the Issuer or a Material Subsidiary issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Financial Indebtedness of any member of the Group; **provided that:**
 - (a) the aggregate principal amount of such refinancing Financial Indebtedness does not exceed the principal amount of the Financial Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (including all accrued interest on the Financial Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith); and
 - (b) such refinancing Financial Indebtedness has a final maturity date that is no earlier than the final maturity date of the Financial Indebtedness being renewed, refunded, refinanced, replaced exchanged, defeased or discharged;
- (v) any Financial Indebtedness of any company which becomes a member of the Group after the date on which the first Tranche of the Notes are issued, where the Financial Indebtedness is incurred prior to the date on which that company becomes a member of the Group, **provided that** the principal amount of the Financial Indebtedness has not increased in contemplation of or since, such acquisition;

- (vi) the incurrence by the Issuer or the Material Subsidiary of Hedging Obligations for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the board of directors or senior management of such Material Subsidiary as the case may be);
- (vii) the incurrence by the Issuer or any Material Subsidiary of Financial Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business;
- (viii) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (ix) the incurrence by the Issuer or any Material Subsidiary of Financial Indebtedness in respect of any Securitised Indebtedness;
- (x) any leasing arrangement entered into in the ordinary course of business in an aggregate amount not exceeding SEK 150,000,000 (or its equivalent in any other currency or currencies) at any time;
- (xi) Financial Indebtedness incurred by members of the Group in China in an aggregated amount not exceeding SEK 350,000,000 (or its equivalent in any other currency or currencies) at any time; and
- (xii) other Financial Indebtedness not permitted under paragraphs (i) to (x) above in an aggregate amount not exceeding SEK 750,000,000 (or its equivalent in any other currency or currencies) at any time.

"Permitted Security" means:

- (i) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (ii) any payment or close out netting or set-off arrangement pursuant to any Hedging Transaction;
- (iii) any Security arising by operation of law and in the ordinary course of trading;
- (iv) any Security to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers compensation obligations, leases, performance bonds or other obligations of a like nature incurred in the ordinary course of business (including Security to secure letters of credit issued to assure payment of such obligations);
- (v) any Security on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (vi) any Security arising out of condemnation or eminent domain proceedings or any compulsory purchase order affecting real property;
- (vii) any limited recourse Security in respect of the ownership interests in, or assets owned by, any joint ventures securing obligations of such joint ventures;
- (viii) any Security for Financial Indebtedness in existence on the date the first Tranche of the Notes are issued;
- (ix) any Security on the assets or property of a person existing at the time that such person is acquired as a Subsidiary by the Issuer, **provided that** such Security: (i) was not created in contemplation of such acquisition; and (ii) does not extend to any other assets or property of the Issuer or any Subsidiary of the Issuer (other than those of the person acquired and its Subsidiaries (if any));
- (x) any Security already existing on assets or property acquired or to be acquired by the Issuer or a Subsidiary of the Issuer, **provided that** such Security was not created in

contemplation of such acquisition and does not extend to any other assets or property (other than the proceeds of such acquired assets or property);

- (xi) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (xii) any Security arising in connection with any court proceedings which do not constitute an Event of Default;
- (xiii) any Security created as security for any Securitised Indebtedness;
- (xiv) Security for taxes and governmental charges not yet due or contested by appropriate proceedings in good faith;
- (xv) any Security created on or over any property to secure Financial Indebtedness of a Material Subsidiary to the Issuer or to another Material Subsidiary;
- (xvi) any Security arising as a consequence of any lease permitted pursuant to paragraph (x) of the definition of "Permitted Financial Indebtedness";
- (xvii) any Security securing Financial Indebtedness listed under paragraph (x) of the definition of Permitted Financial Indebtedness;
- (xviii) any Security securing Financial Indebtedness the principal amount of which (when aggregated with the principal amount of any other Financial Indebtedness which has the benefit of Security given by the Issuer and its Material Subsidiaries other than any permitted under paragraphs (i) to (xviii) above and paragraph (xx) below) does not exceed SEK 750,000,000 (or its equivalent in another currency or currencies); and
- (xvix) any Security created on and over any property for the sole purpose of extending, renewing or replacing in whole or part, Financial Indebtedness secured by any Security referred to in paragraphs (i) to (xix) above, inclusive, or in this paragraph, **provided, however, that** the principal amount of Financial Indebtedness secured in such extension, renewal or replacement does not exceed the principal amount of Financial Indebtedness secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement shall be limited to all or a part of the property subject to such Security so extended, renewed or replaced (plus improvements on such property);

"Quotation Time" shall be as set out in the relevant Final Terms.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Rating Agency" means any of Moody's Investors Service Ltd. ("**Moody's**"), Standard & Poor's Credit Market Services Europe Limited ("**S&P**") or Fitch, Inc. ("**Fitch**"), as the case may be, and, in each case, their respective successors or any other rating agency (each a "**Substitute Rating Agency**") of equivalent international standing specified by the Issuer; **provided that** references herein to a Rating Agency shall only be to such Rating Agency as shall have been appointed by or on behalf of the Issuer to maintain a rating and shall not extend to any such Rating Agency providing ratings on an unsolicited basis.

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount and/or the Optional Redemption Amount (Call) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms.

"Redemption Margin" shall be as set out in the relevant Final Terms.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and, in the case of a determination of STIBOR, the principal Swedish office of four major banks in the Swedish inter-bank market, in each case selected by the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) or as specified hereon.

"Reference Bond" shall be as set out in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond.

"Reference Bond Price" means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations.

"Reference Bond Rate" means, with respect to any Reference Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming the price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date.

"Reference Date" means the date which is two business days prior to the despatch of the notice of redemption under Condition 7(d) or such other date as may be specified in the relevant Final Terms.

"Reference Government Bond Dealer" means each of five banks selected by the Issuer which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues.

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Determination Agent by each Reference Government Bond Dealer at the Quotation Time on the Reference Date.

"Reference Rate" means the rate specified as such hereon.

"Relevant Potential Change of Control Announcement" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

"Relevant Date", in respect of any Note or Coupon, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.

"Relevant Nominating Body" means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

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

"Securitized Indebtedness" means any Financial Indebtedness incurred in respect of or in connection with any securitisation, asset-backed or similar financing arrangement relating to assets and/or receivables of the Issuer or any of its Material Subsidiaries and where the recourse of the holders of such Financial Indebtedness against the Issuer or the relevant Material Subsidiary is limited solely to such assets, receivables or any income generated from such assets or receivables.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Specified Interest Payment Date" shall be as set out in the relevant Final Terms.

"STIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Swedish Bankers' Association (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor).

"Subsidiary" means, in relation to any company or corporation, a company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation;
- (iii) more than half of the votes of which is controlled by the first mentioned company or corporation; or
- (iv) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

14. **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take or institute any such steps and/or actions and/or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16. **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

17. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

18. **Notices**

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed and/or admitted to trading, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed/and or admitted to trading. If in the opinion of the Trustee any such publication is not practicable, notice required to be given pursuant to the Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

19. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

20. **Governing Law and Jurisdiction**

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. **Initial Issue of Notes**

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depositary or, if the Global Certificate is not held under the NSS, registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. **Exchange**

3.1 ***Temporary Global Notes***

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 ***Permanent Global Notes***

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 ***Global Certificates***

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 ***Delivery of Notes***

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 ***Exchange Date***

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 ***Payments***

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

4.2 ***Prescription***

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 13 (*Definitions*)).

4.3 ***Meetings***

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 ***Cancellation***

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 ***Purchase***

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

4.6 ***Issuer's Option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 ***Noteholders' Options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 ***NGN nominal amount***

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 ***Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.10 ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for

communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, except that so long as the Notes are listed on Euronext Dublin's regulated market and the rules of that exchange so require, notices shall also be published either on the website of Euronext Dublin (*www.ise.ie*) or in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

5. **Electronic Consent and Written Resolution**

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "relevant clearing system") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes and for the repayment of some of the financial indebtedness incurred by the Group.

DESCRIPTION OF THE GROUP

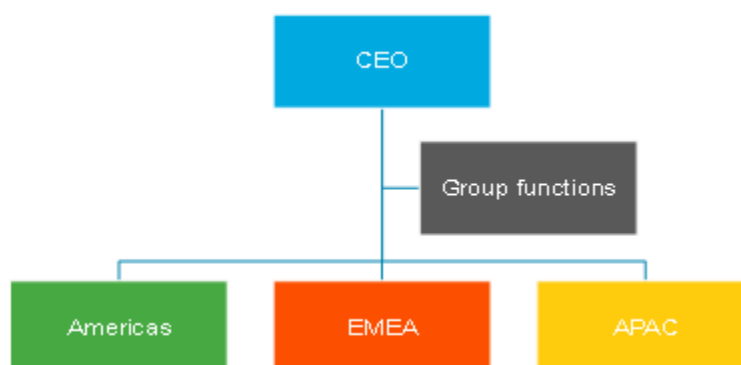
History and Overview

The Group provides branded solutions for mobile living in the areas of Climate, Hygiene & Sanitation, Food & Beverage, Power & Control and Safety & Security. The Group manufactures and sells a diverse range of products within these areas for use in Recreational Vehicles ("RVs") (such as Motorhomes and Caravans or Towables), Trucks and Premium Cars, Pleasure and Work boats, and for a variety of other uses. Products include air conditioners, furnaces, awnings, vents and windows & doors within Climate; water heaters and toilets within Hygiene & Sanitation; and refrigerators, cooking equipment, ovens and Mobile coolers within Food & Beverage. Power & Control includes steering systems for boats, and Safety and Security includes minibars and hotel safes. The Group uses two sales channels, Original Equipment Manufacturing ("OEM") and secondary market supplies of standalone aftermarket products, replacement products, spare parts and consumables ("Aftermarket"), to distribute its products. OEM customers are manufacturers of RVs, Trucks, Premium Cars, Pleasure boats and Work boats while the Aftermarket comprises upgrade and replacement products, parts and consumables as well as refined Aftermarket products sold through various distributors, dealers and retailers to RV, Commercial Passenger Vehicles ("CPVs"), Marine and other end-users.

The Group operates 28 manufacturing / assembly sites in 11 countries, sells its products in approximately 100 countries and manufactures approximately 85 per cent. of products sold in-house. The Group markets and sells its products under one main brand, Dometic, as well as supporting brands such as Condaria, Cruisair, MarineAir, MOBICOOL, SeaLand and WAECO. With the acquisition of SeaStar Solutions in December 2017, the brand SeaStar was added to the portfolio along with a number of other secondary tradenames. The Group's headquarters are located in Solna, Sweden. The Group has three main distribution hubs, in Emsdetten, Germany and in Goshen and Litchfield, U.S. The Litchfield distribution centre was added as a part of the SeaStar Solutions acquisition.

The Group was established as a subsidiary of the Swedish company AB Electrolux, under the name the Group Sales Corporation, in 1968 to sell refrigerators for RVs and other leisure equipment. The product portfolio and geographic reach has grown through a series of 42 acquisitions in the last 47 years. The origination of business dates back to 1922 with the invention of absorption refrigerators. Historically, newly acquired companies were run independently, but the Group has increased focus on integrating companies that are acquired.

The Group is consolidated into the three geographical regions (Americas, Europe, Middle East and Africa ("EMEA") and Asia Pacific ("APAC")) in order to customise products to match the regional nature of the customers. Primarily, each region is a profit and loss unit and is steered based on common Key Performance Indicators such as sales, integrated profitability, cost efficiency, investments, capital efficiency and cash flow. The following chart presents an overview of the Group's organisation.



Legal group structure

The Issuer's business is conducted in accordance with the Swedish Companies Act (Sw: *aktiebolagslagen* (2005:551)). The parent company, Dometic Group AB (publ) (registration number 556829-4390) is a Swedish public limited liability company which was founded on 1 December 2010, registered with the Swedish Companies Registration Office on 6 December 2010 and its ordinary shares have been listed on the Nasdaq Stockholm's regulated market since 25 November 2015. As of 31 December 2017, the share

capital of the Issuer amounted to SEK 739,583, divided into 295,833,333 shares. All shares are of the same class and carry equal rights in all respects. The Group's registered office is in Stockholm and its registered address is Dometic Group AB (publ), Hemvärnsgatan 15, 171 54 Solna, Sweden and its telephone number is +46(0)8 501 025 00.

To ensure that the control over the Issuer is not abused, the Issuer complies with Swedish Companies Act. In addition, the Issuer acts in accordance with the rules of procedure of its Board of Directors and the instructions for the committees and the chief executive officer adopted by the Issuer's Board of Directors.

The Issuer is currently the parent company of 82 subsidiaries, including subsidiaries in the U.S., Germany, China, Hong Kong, Sweden and Canada.

The table below shows the Group's Material Subsidiaries, ranked by net sales, and the share/voting percentage that the Issuer directly or indirectly holds in each such Material Subsidiary.

Subsidiary	Country	Shares and voting rights, %
Dometic Corporation	USA	100
Dometic Waeco International GmbH	Germany	100
Atwood Mobile Products LLC	USA	100
Dometic Australia PTY Ltd	Australia	100
Dometic Seitz GmbH	Germany	100
Dometic GmbH	Germany	100
Dometic SAS	France	100
Dometic UK Ltd	UK	100
Dometic Italy S.r.l.	Italy	100
Dometic Scandinavia AB	Sweden	100
Dometic Benelux B.V.	The Netherlands	100
Condaria 87 S.r.l.	Italy	100
Mobicool International Ltd	Hong Kong	100
Dometic Slovakia s.r.o.	Slovakia	100
Dometic Light Systems GmbH	Germany	100
Dometic Spain SL	Spain	100
Ezetil GmbH	Germany	100

Dividend and Dividend Policy

The board of directors of Dometic (the "**Board**") has adopted a dividend policy, according to which the Board aims to propose to the annual general meeting of shareholders (the "**AGM**") that at least 40 per cent. of its net profit for the period shall be distributed to the shareholders. The Board shall consider a number of additional factors, including Dometic's future profits, investment needs, liquidity and development opportunities, as well as general economic and business conditions when proposing a dividend.

Strategy

The Group aims to be the leader in its niche for branded solutions for mobile living within Climate, Hygiene & Sanitation, Food & Beverage, Power & Control and Safety & Security. The strategy is focused on profitable growth by prioritising the following:

- **Strengthening OEM** – achieving product leadership in all core RV OEM categories together with selective RV OEM product expansion, broadening the Group's leisure boat presence and Marine OEM product offering and growing CPV OEM through focus on truck driver comfort and refrigeration solutions for US passenger and commercial vehicles;
- **Growing Aftermarket** – growing the Group's sales in mobile cooling and other outdoor products and increasing its focus on spare part sales. Developing and broadening its online and offline retail sales as well as improving its business to consumer branding and marketing;
- **Geographic expansion** – implementing growth plans in China and expanding sales in South East Asia as well as securing position for future growth in Brazil and Russia;
- **Competitive Cost Base** – securing competitive cost base by constantly working on improvements within direct material purchasing and plant productivity, logistics and warehousing and selling, general and administrative expenses; and

- **One Dometic** – ensuring that the Group operates with one set of core values, one operating model, one product promise and one look.

As part of its strategy, in 2015, the Board adopted the following medium-to-long term financial targets:

- Net sales growth of 5 per cent. excluding larger acquisitions and effects from foreign exchange variations;
- Reported EBIT margin of at least 15 per cent.;
- Net debt/EBITDA of approximately 2.0x; and
- Dividend of at least 40 per cent. of its net profit.

See "*Risk Factors – The Group's actual future results may differ materially from what is expressed or implied by the financial targets presented in this Base Prospectus, and investors should not place undue reliance on these targets*".

Recent Developments

In December 2017, the Group acquired SeaStar Solutions, a leading provider of vessel control systems and aftermarket products to the leisure marine industry for a cash purchase price of USD868 million. SeaStar Solutions is based in North America, operates 8 facilities and employs approximately 1,250 people. Total synergies from the acquisition are estimated to amount to USD 20 million and are expected to be fully realised within 3 years.

The acquisition broadens the Group's marine offering in North America and creates a global platform for further expansion and potential for profitable growth. The combination of the Group's existing strong position in marine air conditioners, refrigeration and sanitation, with SeaStar Solutions' leadership in vessel control, fuel systems and system integration, will enable the enlarged the Group to develop and provide a diverse offering to the market and fully utilise the broad network of distributors and strong relationships with manufacturers.

Expanding in the marine industry has been a strategic priority for the Group, as it offers attractive market dynamics, strong earnings potential and good opportunities for further expansion. The acquisition of SeaStar Solutions is also a strategically important step in the Group's ambition to increase its presence in new areas to complement its Recreational Vehicle business.

See Note 7 to the 2018 Interim Financial Statements and Note 29 to the 2017 Financial Statements for further information regarding the SeaStar Solutions acquisition.

Business Areas

The Group is divided into four business areas; RV, CPV, Marine and Other (Lodging and Retail). Three business areas, RV, CPV and Marine, sell products through both the OEM and Aftermarket sales channels while Other (Retail and Lodging) only sells to the Aftermarket channel.

		Business area split				
		RV	CPV	Marine	Other (Lodging and Retail)	% of total
Regional split	Americas	38%	1%	5%	1%	45%
	EMEA ⁽¹⁾	20%	11%	5%	6%	43%
	APAC	7%	1%	1%	4%	12%
	% of total	65%	14%	11%	10%	100%
Sales channel split	OEM					61%
	Aftermarket					39%
						100%

RV

For the year ended 31 December 2017, the RV business area generated 65 per cent. of the Group's net sales (as compared to 65 per cent. for the year ended 31 December 2016). For the three months ended 31 March 2018, the RV business area generated 55 per cent. of the Group's net sales (as compared to 66 per cent. for the three months ended 31 March 2017). In the OEM channel, products are sold directly to RV manufacturers whilst in the Aftermarket products are sold to the end-customers through the RV equipment dealers and distributors.

In the RV business area, the Group provides a wide product offering within the areas of Climate (air conditioners, windows & doors, furnaces and awnings), Hygiene & Sanitation (toilets, sanitation systems, water heaters and sanitation consumables) and Food & Beverage (refrigerators, cookers, sinks, ovens and portable cooling) as well as other products including generators and inverters.

Marine

For the year ended 31 December 2017, the Marine business area generated 11 per cent. of the Group's net sales (as compared to 9 per cent. for the year ended 31 December 2016). For the three months ended 31 March 2018, the Marine business area generated 24 per cent. of the Group's net sales (as compared to 10 per cent. for the three months ended 31 March 2017). The Marine business area primarily sells via the OEM channel as some main products (e.g. air conditioners and steering systems) tend to be large systems integrated into the boat construction. The Aftermarket serves end-users through dealers and distributors.

For both OEM and Aftermarket, the Group offers products within Climate (air conditioners), Hygiene & Sanitation (toilets, sanitation systems and related consumables), Food & Beverage (refrigerators, cookers, sinks, ovens and portable cooling) and Power & Control (steering systems). The Group's products are principally designed for pleasure boats from 15 feet in length, with the core market segment being represented by boats of up to approximately 100 feet in length.

CPV

For the year ended 31 December 2017, the CPV business area generated 14 per cent. of the Group's net sales (as compared to 16 per cent. for the year ended 31 December 2016). For the three months ended 31 March 2018, the CPV business area generated 11 per cent. of the Group's net sales (as compared to 14 per cent. for the three months ended 31 March 2017).

In the OEM channel, products are sold directly to premium car manufacturers and truck manufacturers whilst in the Aftermarket products are sold to the end-customers through the car and truck dealers.

The products sold within CPV via the OEM channel primarily serve premium car manufacturers and truck manufacturers while the Aftermarket sales mainly take place through dealers and distributors to the end-customers.

The CPV business area product offering consists of cooling related products within the areas of Climate (parking coolers) and Food & Beverage (refrigerators and Mobile coolers) as well as generators and inverters, for Commercial Vehicles (Trucks) and Passenger Vehicles (premium car models).

Other (Lodging and Retail)

For the year ended 31 December 2017, Other (Lodging and Retail) generated 10 per cent. of the Group's total net sales (as compared to 10 per cent. for the year ended 31 December 2016) and 10 per cent. for the three months ended 31 March 2018 (as compared to 10 per cent. for the three months ended 31 March 2017). The Lodging business area provides primarily minibars for in-room installation in hotels. The focus area is on the 4 and 5 star hotels segment of the lodging industry. The Group mainly supplies general and specialty retailers, online retailers and other retail chains, catering to consumers as end-users of the Group's products. The product range mainly consists of Mobile coolers (passive and active) and compact refrigerators.

Regions

Americas

The Americas region accounted for net sales of SEK 6,329 million for the year ended 31 December 2017, and SEK 2,287 million for the three months ended 31 March 2018 (as compared to SEK 5,749 million for the year ended 31 December 2016 and SEK 1,506 million for the three months ended 31 March 2017). The region had an EBIT before i.a.c. of SEK 885 million and SEK 334 million in the same period (as compared to SEK 756 million for the year ended 31 December 2016 and SEK 164 million for the three months ended 31 March 2017) which represented an EBIT margin of 14.0 per cent. and 14.6 per cent. respectively. The region comprises of North America, Latin America and the Caribbean. The U.S. represented 97 per cent. of the Group's net sales in the Americas region for the year ended 31 December 2017 as compared to 96 per cent. for the year ended 31 December 2016.

RV

For the year ended 31 December 2017, RV accounted for 85 per cent. of the net sales for the Americas region, and 60 per cent. for the three months ended 31 March 2018 (as compared to 82 per cent. for the year ended 31 December 2016 and 85 per cent for the three months ended 31 March 2017). Selected products sold to RV customers in the Americas include refrigerators, air conditioners and heaters. Customers are mainly located in the US and, among others, include Forest River, Thor and Camping World. The customer concentration in Americas is relatively high compared to EMEA and APAC due to a period of consolidation of the largest OEM customers following the financial crisis.

Marine

For the year ended 31 December 2017, Marine accounted for 10 per cent. of the net sales for the Americas region and 37 per cent. for the three months ended 31 March 2018 (as compared to 9 per cent for the year ended 31 December 2016 and 10 per cent for the three months ended 31 March 2017). Selected products sold to Marine customers in the Americas include air conditioners, steering systems, fuel tanks, sanitation and water makers. Selected customers include Viking Yachts and SeaRay. The Marine products in the Americas are mainly sold to the U.S. and the Caribbean.

CPV

For the year ended 31 December 2017, CPV accounted for 3 per cent. of the net sales for the Americas region and 2 per cent. for the three months ended 31 March 2018 (as compared to 7 per cent for the year ended 31 December 2016 and 3 per cent for the three months ended 31 March 2017). Selected products sold to CPV customers in the Americas include parking coolers, refrigerators and cup coolers. Selected customers include Daimler/Freightliner and John Deere.

In the Americas region, the market share of products such as parking coolers, refrigeration, inverters and other comfort equipment is lower compared to EMEA where the Group sells to large manufacturers of Heavy Trucks and Premium Cars.

Other (Lodging and Retail)

For the year ended 31 December 2017, Other (Lodging and Retail) accounted for 2 per cent. of the net sales for the Americas region and 1 per cent. for the three months ended 31 March 2018 (as compared to 2 per cent for the year ended 31 December 2016 and 2 per cent for the three months ended 31 March 2017). Selected products sold to Lodging customers within the Americas region include minibars and safes while for Retail customers these are mainly Mobile coolers. Selected customers include Amazon and Starwood.

EMEA

The Group's EMEA region accounted for net sales of SEK 5,962 million for the year ended 31 December 2017 and SEK 1,696 million for the three months ended 31 March 2018 (as compared to SEK 5,093 million for the year ended 31 December 2016 and SEK 1,527 million for the three months ended 31 March 2017). The region had an EBIT before i.a.c of SEK 618 million and SEK 209 million in the same periods (as compared to SEK 534 million for the year ended 31 December 2016 and SEK 162 million for the three months ended 31 March 2017) which represented an EBIT margin of 10.4 per cent. and 12.3 per cent. respectively. The region comprises Europe, Middle East and Africa. For the year ended 31 December 2017, 63 per cent. of the region's net sales came from three countries: Germany, the UK and France. Germany was the single largest country with 41 per cent. of the net sales (as compared to 44 per cent. for the year ended 31 December 2016).

RV

For the year ended 31 December 2017, RV accounted for 47 per cent. of the net sales and 51 per cent. for the three months ended 31 March 2018 for the EMEA region (as compared to 48 per cent for the year ended 31 December 2016 and 51 per cent for the three months ended 31 March 2017). Selected products sold to RV customers in EMEA include refrigerators, windows and doors and sanitation. The EMEA RV landscape is more fragmented. However, there are national RV OEMs that play a leading role in their respective markets. Selected customers include Hymer, Trigano, Movera and Hobby.

Marine

For the year ended 31 December 2017, Marine accounted for 12 per cent. of the net sales for the EMEA region and 11 per cent. for the three months ended 31 March 2018 (as compared to 9 per cent for the year ended 31 December 2016 and 12 per cent for the three months ended 31 March 2017). Selected products sold to Marine customers in EMEA include air conditioners, sanitation refrigeration and blinds. Selected customers include Sunseeker and Beneteau.

CPV

For the year ended 31 December 2017, CPV accounted for 26 per cent. of the net sales and 24 per cent. for the three months ended 31 March 2018 for the EMEA region (as compared to 30 per cent for the year ended 31 December 2016 and 25 per cent for the three months ended 31 March 2017). Selected products sold to CPV customers in EMEA include refrigerators, inverters, parking coolers and AC service stations. Selected customers include Daimler, MAN and Volkswagen.

Inverters and refrigeration products are seen as the main products for the Passenger Vehicle OEM market. For Commercial Vehicles, the main products are refrigerators and parking coolers. Selected Commercial Vehicle OEM customers include Scania and Volkswagen. Selected Passenger Vehicle OEM customers include BMW, Mercedes, Volvo and Land Rover.

Other (Lodging and Retail)

For the year ended 31 December 2017, Other (Lodging and Retail) accounted for 15 per cent. of the net sales and 14 per cent. for the three months ended 31 March 2018 for the EMEA region (as compared to 13 per cent for the year ended 31 December 2016 and 12 per cent for the three months ended 31 March 2017). Selected products sold to Lodging customers in EMEA include minibars and safes while the products sold to Retail customers mainly are Mobile coolers. Selected customers are Amazon and Accor Hotels.

APAC

The Group's APAC region accounted for net sales of SEK 1,753 million for the year ended 31 December 2017 and SEK 459 million for the three months ended 31 March 2018 (as compared to SEK 1,546 million for the year ended 31 December 2016 and SEK 410 million for the three months ended 31 March 2017). The region had an EBIT before i.a.c. of SEK 357 million and SEK 95 million in the same period (as compared to SEK 331 million for the year ended 31 December 2016 and SEK 92 million for the three months ended 31 March 2017) which represented an EBIT margin of 20.4 per cent. and 20.8 per cent. respectively. The APAC region is divided into four sub-regions; Australia, New Zealand, China and North Asia (mainly Japan and South Korea) and South East Asia. Australia represented 73 per cent. of the net sales for the year ended 31 December 2017 as compared to 73 per cent. for the year ended 31 December 2016.

RV

For the year ended 31 December 2017, RV accounted for 53 per cent. of the net sales for the APAC region and 48 per cent. for the three months ended 31 March 2018 (as compared to 55 per cent for the year ended 31 December 2016 and 51 per cent for the three months ended 31 March 2017). Selected products sold to RV customers in APAC include refrigerators, air conditioners and windows & doors. Selected customers include Jayco and New Age Caravans.

Generally the RV equipment for the APAC region (mainly Australia) is a mix between the Americas and EMEA in terms of style, design and features. One major difference for the Australian market is that the challenging environment in which the RVs are used leads to very high product requirements with respect to durability and temperature performance. Therefore, the Group's products within Climate and Food & Beverage for the APAC region are increasingly being customised to fit the Australian market. Two examples of the product areas where the Group has customised products to the Australian market are refrigerators and air conditioners. The refrigerators have high cooling performance for both freezer and fridge, have Australian Gas Association approval¹ and some variants can be compressor driven. The new Dometic Harrier Inverter air conditioners feature the first use of a variable speed compressor with an inverter in an RV application; this can help eliminate start-up current issues when running from generators or when current supply is restricted.

The RV market in China is relatively small compared to the US and Europe, but it has evidenced some rapid growth from 2013 to 2017. There are supporting trends and government initiatives supporting future growth in this market. In October 2014, the Chinese government included RVs and camping as one of the six growth areas in focus to promote consumer spending on leisure activities. The RV parks have increased significantly from 30-40 in 2011 to 825 as at 31 December 2017. In addition to this, there are approximately 440 RV parks currently under construction and an ambition to complete over 2000 parks by 2020.²

Marine

For the year ended 31 December 2017, Marine accounted for 6 per cent. of the net sales for the APAC region and 7 per cent. for the three months ended 31 March 2018 (as compared to 6 per cent for the year ended 31 December 2016 and 7 per cent for the three months ended 31 March 2017). Selected products sold to Marine customers in APAC include air conditioners, sanitation and refrigeration. Selected customers include Seabreeze, Austal, Ing Hai and Tripower.

CPV

For the year ended 31 December 2017, CPV accounted for 9 per cent. of the net sales for the APAC region and 10 per cent. for the three months ended 31 March 2018 (as compared to 7 per cent for the year ended 31 December 2016 and 9 per cent for the three months ended 31 March 2017). Selected products sold to CPV customers in APAC include refrigeration, inverters and cup coolers. Selected customers include FAW, SVW and SGM.

¹ The Australian Gas Association provides accredited product certification services with respect to the gas, electrical and plumbing sectors within Australia.

² Source: RV Association, Camping Association.

Other (Lodging and Retail)

For the year ended 31 December 2017, Other (Lodging and Retail) accounted for 32 per cent. of the net sales for the APAC region and 35 per cent. for the three months ended 31 March 2018 (as compared to 32 per cent for the year ended 31 December 2016 and 33 per cent for the three months ended 31 March 2017). Selected products sold to the Lodging customers include minibars and safes while Mobile coolers are important product category to Retail customers. Selected customers include SRGS (BCF & Rays), Anaconda and ARB.

Financial Highlights

The table below sets out certain of the Group's financial highlights for the yearly and quarterly periods indicated:

<i>Amounts in SEK million (unless otherwise stated)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2018	2017	2017	2017	2017	2016	2016	2016	2016	2015
Operating profit (EBIT) before i.a.c.....	638	310	482	650	418	210	426	584	400	200
EBIT margin before i.a.c.....	14.4%	9.5%	14.2%	16.5%	12.1%					
Net Sales Growth/ Organic growth.....	10%	16%	11%	9%	11%					
Net Debt/EBITDA.....	3.4%	3.3x	1.3x	1.7x	1.8x	1.7x	1.8x	2.1x	2.4x	2.4x
Net sales.....	4,442	3,252	3,399	3,949	3,443	2,786	3,142	3,461	2,999	2,523

<i>Amounts in SEK million (unless otherwise stated)</i>	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
EBIT before i.a.c.....					
Americas.....		334	180	267	164
EMEA.....		209	38	141	162
APAC.....		95	92	74	92
		638	310	482	418
Net Sales.....					
Americas.....		2,287	1,511	1,620	1,506
EMEA.....		1,696	1,248	1,353	1,527
APAC.....		459	493	426	410
		4,442	3,252	3,399	3,443

<i>Amounts in SEK million (unless otherwise stated)</i>	2017	2016	2015	2014	2013
Operating profit (EBIT) before i.a.c.....	1,860	1,621	1,412	1,018	952
EBIT margin before i.a.c.....	13.2%	13.1%	12.3%	11.6%	12.2%
Net Sales Growth/ Organic growth.....	12%	7%	8%	5%	1%
EBITDA before i.a.c.....	2,181	1,919	1,703	1,224	1,132
Net Debt/EBITDA.....	3.3x	1.7x	2.4x	7.5x	6.2x
Operating cashflow before tax.....	1,727	1,296	1,390	987	565

The Group's net sales totalled SEK 14,044 million for the year ended 31 December 2017 and SEK 4,442 million for the three months ended 31 March 2018 (as compared to SEK12,388 million for the year ended 31 December 2016 and SEK 3,443 million for the three months ended 31 March 2017). The Group's operating profit totalled SEK 1,907 million for the year ended 31 December 2017 and SEK 638 million for the three months ended 31 March 2018 (as compared to SEK 1,573 million for the year ended 31 December 2016 and SEK 418 million for the three months ended 31 March 2017). Operating profit (EBIT) before i.a.c. amounted to SEK 1,860 million for the year ended 31 December 2017 and SEK 638 million for the three months ended 31 March 2018 (as compared to SEK 1,621 million for the year ended 31 December 2016 and SEK 418 million for the three months ended 31 March 2017).

The Group's i.a.c. totalled SEK 47 million for the year ended 31 December 2017 (as compared to SEK48 million for the year ended 31 December 2016), of which SEK166 million related to the consolidation of manufacturing in China, SEK58 million related to transaction costs for SeaStar Solutions and SEK61 million related to the EMEA profitability improvement programme. I.a.c. totalled SEK 0 million for the three months ended 31 March 2018 (as compared to SEK0 million for the three months ended 31 March 2017).

The Group's financial items amounted to a net loss of SEK206 million for the year ended 31 December 2017 (as compared to a net loss of SEK118 million for the year ended 31 December 2016), the principal reason for the decrease being foreign currency exchange revaluations and other items amounting to SEK85

million in 2017 (as compared to SEK7 million in 2016). Financial items amounted to a net expense of SEK127 million for the three months ended 31 March 2018 (as compared to a net expense of SEK31 million for the three months ended 31 March 2017).

The Group's taxes totalled SEK206 million for the year ended 31 December 2017 (as compared to SEK93 million for the year ended 31 December 2016). The Group's taxes totalled SEK136 million for the three months ended 31 March 2018 (as compared to SEK91 million for the three months ended 31 March 2017).

The Group's cash flow from financing, including paid interest, amounted to SEK5,308 million for the year ended 31 December 2017 (as compared to SEK -572 million for the year ended 31 December 2016). The increase in cash flow in 2017 primarily results from an increase in net borrowings (these amounted to SEK6,072 million in 2017 as compared to SEK362 million in 2016) which included financing amounting to SEK6,260 million for the acquisition of SeaStar Solutions. The Group's cash flow from financing, including paid interest, amounted to SEK177 million for the three months ended 31 March 2018 (as compared to SEK-157million for the three months ended 31 March 2017).

In addition, the Group had unutilised loan facilities under its revolving credit facility amounting to SEK1.292 million as at 31 December 2017. These credit facilities may terminate upon the occurrence of certain customary event, including in connection with a change of control of the Group or a delisting of the Issuer from Nasdaq Stockholm. For further details of the Group's credit/loan facilities, please see Note 21 of Dometic's 2017 Annual Financial Statements.

Credit rating

The long-term obligations of the Issuer are rated BB by Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Ba3 by Moody's Investors Service ("**Moody's**"). S&P and Moody's are each established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended.

Sales, marketing and branding

The Group incurred sales and marketing expenses of SEK1,791 million (12.8 per cent. of net sales) for the year ended 31 December 2017 and SEK 527 million (11.9 per cent. of net sales) for the three months ended 31 March 2018.

The Group sells its products in approximately 100 countries. The responsibility for sales rest in the three regional organisations, Americas, EMEA and APAC with the largest sales organisations in Australia, China, France, Germany, Italy, the Nordic countries, Spain, the UK and the U.S.

The route to market differs across products and regions. Within RV OEM, CPV OEM and Marine OEM, the Group in most cases sells directly to the OEMs with a smaller share of the total OEM sales going through agents or a body builder before the OEM. Within the Aftermarket, there are normally two different routes to markets, either through a distributor/agent or directly to a dealer, retailer or service point. The Group markets and sells its products under one main brand, Dometic, as well as supporting brands such as Condaria, Cruisair, MarineAir, MOBICOOL, SeaLand and WAECO. With the acquisition of SeaStar Solutions in December 2017, the SeaStar brand was added to the portfolio along with a number of other secondary tradenames.

Product management and product development

Product Management is a multi-disciplinary function within the Group that guides the strategic and tactical efforts of a product to ensure that a marketable product is delivered to the end user. Project Management's primary purpose is to gather market intelligence, perform customer research, and translate customer "needs" and "wants" into requirements. Project Management is the bridge between Sales and Product Development.

Product Development is a focused function within the Group whose role it is to generate the product or solution that meets the requirements articulated by Project Management in terms of quality, performance and cost.

In 2017, the Group's research and development costs amounted to SEK 309 million for the various business areas (equal to 2.2 per cent. of net sales), compared to SEK 294 million in 2016 (2.4 per cent. of net sales) and SEK269 million in 2015 (2.3 per cent. of net sales).

The current product development portfolio includes 153 active product development projects of various size and complexity. In addition to this, there are many small product improvements each year. The Group has a detailed and formal process on how to develop a product from idea to manufacturing, called DPDP (Dometic product development process). All new products need to have a separate business case that includes a multi-year plan, investment requirements and payback period. Including the development and industrialisation period, a new product usually takes 12 to 18 months before it is launched in the targeted market.

The Group's patent and design portfolio contains approximately 1,400 individual patents, utility models and design applications and/or granted registrations in countries all over the world. The patent strategy is to ensure that the Group is first with new innovations and has the freedom to operate versus its competitors. In recent years, there have been increased efforts with patents in order to reduce costs, increase number of inventions and improve the internal resource management.

Manufacturing /assembly

The Group operates a total of 28 manufacturing / assembly sites in the U.S., Canada, Europe and China. The Group has actively sought to optimise its global manufacturing / assembly footprint and this has led to the closure/relocation of 10 assembly sites over the last 10 years. The Group believes that it has a balanced footprint and its current focus is on improving the sites through implementation of lean and automation.

The current footprint is designed to balance customer proximity requirements with global cost benefits. For products such as air conditioners for RVs, cooling boxes, CPV board bars, generators, heaters, furnaces and sanitation, the Group has one global manufacturing site as it sees clear benefits from a global set-up. Other products such as refrigeration for RVs, awnings, air conditioners for Marine, cooking equipment and windows & doors have regional sites as proximity to the customers and flexibility is more important for these types of products. In these cases, the Group endeavours to locate manufacturing sites close to its customers in order to provide better customer service, particularly to facilitate customisation or design, delivery and after sales service. For example, the Group often integrates the OEM customers with resident engineers who sit at the customers' manufacturing and research and development sites so that the Group can customise products to meet customers' specific needs. This proximity to customers also helps to reduce transportation costs.

Approximately 85 per cent. of the Group's products are manufactured in-house. The level of vertical integration is chosen to optimise cost and efficiency. Hence, certain products are produced more or less completely by the Group and sourced components include mainly raw materials or basic components. For these products, the Group considers themselves to have high technical core competence and have a competitive manufacturing process. In other products, the scope of the manufacturing / assembly is limited to assembly and testing. Such products include sourced key components and rationale is that the supplier bases have better know-how of the manufacturing process and have a more cost-effective production of the components and the Group has the engineering and design know-how of the finished product.

The following table sets forth the manufacturing / assembly sites that the Group operates, including the main products which are manufactured at each site as of 31 December 2017:

Location	Main products
<i>Belgium</i>	
Geluwe	Awnings
<i>Canada</i>	
Vancouver, British Columbia	Marine – hydraulic & electronic steering
<i>China</i>	
Shenzhen	Mobile cooling, power electronics mainly for CPV
Wuhu	Water heaters, wire harnesses and next generation blowers
Zhuhai	Refrigerators, air conditioners for RV, Trucks

Location	Main products
<i>Germany</i>	
Dillenburg	Lights
Emsdetten	EDC, automotive cooling
Hungen	Mobile cooling products
Krautheim	Windows and doors
Siegen	Minibars and RV refrigerators
<i>Hungary</i>	
Jászberény	Compact refrigerators and mobile cooling boxes
<i>Italy</i>	
Bassano	Cooking appliances
Forli	Generators
Condaria	Marine air conditioners
<i>Slovakia</i>	
Filakovo	Kitchen appliances, sinks, ACS, blinds
<i>Sweden</i>	
Tidaholm	Window components
<i>Spain</i>	
Girona	Safes
<i>U.K.</i>	
Selsey	Blinds, fabrics
<i>U.S.</i>	
Big Prarie, Ohio	Sanitation
Elkhart, Industrial Pkwy, Indiana	Refrigerators
Elkhart, Simonton St., Indiana	Power vents
Greenbrier, Tennessee	Water heaters, ranges
LaGrange, Indiana	Awnings
Limerick, Pennsylvania	Marine – mechanical steering
Manchester, Vermont	Blinds, fabrics
Pompano Beach, Florida	Marine air conditioning
Sparta, Tennessee	Marine – fuel systems
Stuart, Florida	Marine – digital integration boating systems

Purchasing and logistics

The Group sources a wide range of materials, components and finished products on a global basis. In total, the Group uses approximately 3,000 suppliers to purchase approximately 50,000 articles on an annual basis. The Group has a global purchasing function with regional execution and the purchasing organisation reports directly to the CFO. The Group's supplier footprint is spread across mainly Europe, Asia and North America, with the largest supplier origin countries being China, Germany, Italy, Hong Kong, Taiwan and the U.S. The Group has operational purchasing functions and warehouses in each of the 28 manufacturing / assembly sites and orders direct material from the global supplier base.

The Group has a global supply chain network and sources from suppliers in 35 countries. For the year ended 31 December 2017, the total direct material expenses (consisting of raw materials and manufacturing supplies) amounted to SEK 7,518 million (as compared to SEK 6,446 million for the year ended 31 December 2016). The larger part is related to components or semi-finished components as well as externally traded products (purchasing finished products designed by the Group but manufactured by third-

party manufacturers). The Group's part of the OEM supply chain is set up to take on orders where the manufacturing / assembly sites deliver directly to the OEM customers with lead times of a couple of weeks (from order to delivery). The Group prepares monthly/weekly forecasts on upcoming deliveries based on customer production schedules. The Group's part of the Aftermarket supply chain is typically set up to build stock where the manufacturing / assembly sites deliver to the Group's central distribution centres, shortening lead times down to 1 to 3 days (from order to delivery if products are available in the distribution centres). The Group prepares yearly/monthly forecasts based on historical sales statistics and sales company inputs.

For the year ended 31 December 2017, the 20 largest suppliers accounted for 26 per cent. of the total direct materials expenses (as compared to 26 per cent. for the year ended 31 December 2016). From a longer-term perspective the Group is not critically dependent on any supplier but has several key suppliers for strategic components. The Group monitors these suppliers continuously to minimise the risk of becoming heavily dependent on one supplier.

The ability to transfer increases in expenses of direct materials to customers depends on the term and type of contract entered into with the customers in each business area. The Group is restricted in part in passing price increases onto the RV OEM and certain Aftermarket customers as these contracts generally determine pricing on an annual basis. Likewise, the Group is limited in transferring increases in prices to the customer for OEM within the CPV business area where typical contracts for the core products last for the entire life cycle of the vehicle. For Marine and the Aftermarket channel, there is little lag in the time between when the Group experiences increases in costs and when the Group may be able to pass such cost increases on to customers as such purchases are often spot purchases or have short term where the price for the products the Group delivers has been fixed for a period of not more than one year.

The Group has three main distribution centres for finished products, Emsdetten in Germany, and Goshen and Litchfield in the U.S.. In addition, the Group has a number of local warehouses in key countries across EMEA, Americas and APAC to enable fast delivery of finished products to respond to local market needs. For large customers, especially in the OEM sector, the Group has direct deliveries from the manufacturing / assembly sites. The Group external logistics suppliers for ocean, truck and air transport, these suppliers are mainly managed by logistics functions regionally with some coordination and collaboration globally.

Employees

The Group is committed to ensuring that the workplaces are attractive. Key areas include creating diverse work environments and ensuring that the Group complies with its equal opportunity policy when hiring and when providing development opportunities to its employees to enable them to reach their full potential.

As of 31 December 2017, the Group had 8,769 employees. The majority of the total employees, 76 per cent., are concentrated to China, Germany and the U.S.. As at the same date, 94 per cent. of the total employees were permanent and the remaining 6 per cent. were temporary employees. Certain of the Issuer's subsidiaries, primarily in Europe and the U.S., have entered into collective bargaining agreements with trade unions either directly or through membership of employer organisations. Most of these agreements are nationwide and locked for, on average, 3 years. The Group takes a constructive approach to union relationships where there are unionised sites and has been able to secure the co-operation in close dialogue with both unions and co-workers to create a positive and constructive work environment.

The Dometic Way

The Dometic Way is the foundation of the Group's corporate values. It sets the standards for how the Group operates and how it interacts both internally and with external parties. Four core values provide direction for the leaders and employees: Passion for Products, Ownership, Responsibility and Teamwork, together, this is defined as the Dometic Way. The Group also has group-wide Code of Conduct that applies to all employees in all entities. The Code of Conduct focuses on healthy workplaces and business conditions that are in line with international laws and regulations. To ensure compliance with its Code of Conduct, the Group has established a whistle-blower function called the "Dometic SpeakUp Line". It offers employees in all entities to report potential misconduct in their own language. For the sake of integrity and confidentiality the whistle-blower tool is managed by an external vendor and can be reached via a free-of-charge telephone number or via the internet.

Information technology (IT)

The Group aims to set the standard for digital channels / platforms in the mobile living industry. To succeed with its digital transformation, the Group seeks to redefine the role of IT and is in the ongoing process of establishing a company-wide IT-architecture that utilises common platforms with focus on a seamless information-flow. The Group's efforts and priorities are focused on four areas:

- **Global Enterprise Resource Planning ("ERP") & Customer Relationship Management ("CRM") platforms** – common business operating model & integrated global supply chain.
- **Collaboration platform** – to create an efficient and mobile organisation that enables data driven decision making.
- **E-commerce / Order Handling** – to create efficiency, customer intimacy and new sales channels.
- **Internet Of Things / Smart Products** – redefining the role of IT in product development with focus on customer experience and new revenue streams.

Intellectual property

The Group holds a large number of trademarks, domain names, utility models, registered designs and patents, which are of importance for product development and to maintain competitiveness. The Group's patent and design portfolio contains approximately 1,400 individual patents, utility models and design applications and/or granted registrations in countries all over the world. The management of the Group believes that it is the broad scope of the portfolio that is of importance from a strategic and competitive perspective.

The Group markets and sells its products under one main global brand, DOMETIC, as well as other global brands Condaria, Cruisair, MarineAir, MOBICOOL, SeaLand and WAECO. As a result of the acquisition of SeaStar Solutions, the brand SeaStar was added to the portfolio including a number of other secondary tradenames.

The Group is the holder of 359 active domain name registrations consisting of the core brands dometic.com, dometicgroup.se, mobicool.com and waeco.com. The Group has an established trademark and domain name policy pursuant to which the Group focuses on already existing trademarks and does not normally register slogans, product names and feature names.

Since 2009, the Group has strived towards a centralised organisation for the administration of intellectual property rights where the ownership for intellectual property rights have been allocated to Dometic Sweden AB. Dometic Sweden AB shall hold and control the development, enhancement, maintenance and protection of the intellectual property rights of the Group. As a result, the majority, but not all, of the Group's intellectual property rights have been transferred from Group companies to Dometic Sweden AB. In addition to the internal efforts, the Group uses external patent/IP attorneys in several countries, such as United States, Germany, Italy, China, Australia and Sweden, to assist it with maintenance and registrations.

In connection with the intellectual property rights transfers, no re-registrations of the Group's registered intellectual property rights have been made. Due to cost efficiency, Group companies remain the registered holder of such registrations and in the event a registration is subject to a dispute, the registration will be re-registered to Dometic Sweden AB. Therefore, while certain existing intellectual property rights owned by Group companies are not necessarily recorded in the relevant registries in the name of Dometic Sweden AB, beneficial ownership nevertheless remains with Dometic Sweden AB. All new registrations are made with Dometic Sweden AB as registered holder.

In quantitative terms, trademarks on the balance sheet as at 31 December 2017, defined as the allocation of cost of acquisition over the fair value of the acquired brands, comprise 18 per cent. of total intangible fixed assets.

Insurance

Where possible and cost attractive, the Group has arranged for Group wide insurance to cover the Group. Certain types of insurance (for example, car and travel insurance) are, however, difficult or impossible to arrange centrally and in those cases local insurance policies have been arranged in line with the Group

insurance policies. Mandatory policies, such as worker's compensation and automobile liability are purchased locally, and comply with local laws and regulations.

The Group's insurance includes policies for the Issuer and its subsidiaries, and covers (i) general product liability, (ii) product recalls, (iii) property and business interruption, (iv) crime, (v) marine cargo, (vi) directors and officers liability and (vii) employment practice liability, which are provided by a variety of Swedish and international insurers. As mentioned, the Group assesses that the Group's insurance coverage is in line with the coverage held by other companies in the sector and that the insurance coverage is adequate for the risks normally associated with the Group's business. However, there can be no guarantee that the Group would not suffer losses that are not covered by the Group's insurances. See also "*Risk factors – Risks related to the Group – Design or manufacturing defects in the Group's products or other defects may cause the Group to incur material costs and/or reputational issues as a result of product liability or warranty claims or related to recalls or reworks*".

Regulation

Environment

The Group's operations routinely involve the handling of significant amounts of chemical substances, some of which are classified as hazardous and subject the Group to significant environmental regulations. Chemicals, currently and historically used, at the majority of the Group's manufacturing / assembly sites include solvents/degreasing agents, cooling agents (for filling of air conditioners and refrigerators) and petroleum products. Solvents used for degreasing are currently mainly alkaline and phosphorous based. However, some chemicals, which are classified as hazardous, are of greater concern from an environmental perspective and have been in use, and are still in use, in a number of facilities. An example of this is chromate, which is used in the Group's absorption refrigerators.

The Group is subject to a number of European Union, national, regional, state and local laws and regulations on a wide range of environmental, occupational safety and health, nuisance, zoning, land use and other regulatory matters.

The legal situation is challenging for a global company working with niche products in an environment characterised by ever stricter requirements dictated by similar mainstream products. All legislation presents challenges and there is always a risk that certain product might not be compliant with new legislation which in most cases will require re-design and modifications of the product in question.

The Group's operations require it to maintain certain environmental permits for the production of its products, including, in the United States, air emissions permits, stormwater permits, wastewater discharge permits, hazardous waste handling and disposal permits, and chemicals handling and storage permits. In addition, the Group's production units have generally been certified according to ISO9001 Quality Management System and ISO14001 Environmental Management System.

Compliance matters are handled centrally through the adoption of guidelines and establishment of standards and principles and locally by each respective Group company responsible for implementation, follow up and handling of day-to-day matters. See also "*Risk factors - The Group is subject to stringent environmental laws and other regulations, and the violation of, or the cost of compliance with, such laws and regulations could have a material adverse effect on the Group's operations and cash flows*".

Product safety

The Group operates in many markets across the world and its products are subject to a number of regulatory standards relating to both the product design and production. These include legislation relating to the use of chromate (European Union), testing of gas appliances (global) and electrical safety (global). In addition, the Group's products are often found in the interface between various legislations depending on their classification which may also differ in different countries. As a consequence there may be overlapping requirements that may create challenges for the Group to place its products in the market. Furthermore, the legislative landscape is constantly changing and due to its global operations several non-harmonised rules could apply. The Group closely monitors the development of the legislative landscape to ensure that it is aware of upcoming changes. To meet these challenges, the Group has increased its efforts to closely monitor ongoing matters, implemented specific software for more stringent follow up and engaged external consultants for deeper knowledge around more complex requirements. Product compliance is an integral

part of the business and is managed on a Group level, by the Dometic Compliance Board as well as on regional and local level by Compliance Managers.

Health and safety

The Group has detailed policies and procedures, reaching beyond the minimum legal requirement throughout its network of manufacturing / assembly sites. In addition, the Group has an environmental manager dedicated to overseeing the compliance with applicable directives and designated individuals in each production facility with the responsibility of supervising and implementing policies and controls aimed at maintaining the Group's compliance with environmental, health and safety regulations.

The Group works proactively to reduce the number of work-related incidents and increase control of the work environment, with the aim of boosting product quality and output. To further emphasise its importance, health and safety was also introduced as a part of the Dometic Way in 2017. Consequently, all business reviews as well as daily start-up meetings on the shop floors start with a health and safety review.

Dometic's Health & Safety Guidelines were introduced during the year at all legal entities to ensure a common standard across Dometic, as well as adherence to local regulations. The guidelines were implemented in preparation for the 2018 audits.

As part of the Health & Safety Guidelines, the Group conducts a Job Safety Analysis to identify hazards related to specific tasks in a proactive effort to reduce the risk of injury to workers and to prevent accidents. Workers receive training to carry out their jobs safely and ensure adequate technical safety, including the use of personal protective equipment. See also *"Risk factors – The Group is subject to stringent environmental laws and other regulations, and the violation of, or the cost of compliance with, such laws and regulations could have a material adverse effect on the Group's operations and cash flows"*.

Litigation and arbitration

At any given time, the Group may be party to litigation or subject to non-litigated claims arising out of the normal operation of its business, such as ordinary warranty claims, claims related to products delayed in transport, other product claims (such as claims that the Group has provided products that do not meet specifications), and claims from employees related to work injury or wrongful dismissal. Save as described below, the Group does not expect any liability arising from any of the claims or litigations to have a material impact on the Group's results of operations, liquidity, capital resources or financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and the Group can offer no assurances in this regard. For further information, see *"Risk factors – The Group is exposed to the risk of litigation, investigations and other proceedings"*.

In April 2016, a class action complaint was filed against the Group in the Northern District of California (the "**Papasan case**"). Shortly thereafter, in June 2016, a similar class action complaint was filed against the Group in the Southern District of Florida (the "**Varner case**"). These actions have alleged that the cooling units in certain models of the Dometic-branded gas absorption refrigerators share a common defect in the boiler assembly of the cooling unit that can cause the unit to develop leaks and potential fires. The Varner case progressed more quickly than the Papasan case and, on 27 July 2017, the court in the Varner case granted summary judgment in favour of the Group. The court found that the plaintiffs in the Varner case had not established any actual injury, in part because they had not established the existence of the alleged defect. The court thereafter denied the Varner plaintiffs' motion for reconsideration and the time for appeal has since expired. Subsequent to this summary judgment decision, the Varner attorneys filed another substantially similar class action complaint in the Southern District of Florida with different named plaintiffs (the "**Zucconi case**"). The Zucconi case was then assigned to the Varner judge and consolidated with the Varner case. Thereafter, in September 2017, the same attorneys filed another substantially similar class action complaint in the Central District of California (the "**Zimmer case**"). The Group moved to transfer the Zimmer case to the Southern District of Florida and, in February 2018, the Zimmer court granted the Group's transfer motion. At around the same time, the Group also moved to transfer the Papasan case (pending in California) to the Southern District of Florida and, in March 2018, the Papasan court granted the Group's transfer motion. Upon transfer to Florida, both the Zimmer case and the Papasan case were assigned to the same judge presiding over the Varner/Zucconi case. The Group has since filed a motion to consolidate all three matters and the cases are stayed pending the court's decision on consolidation. The Group remains firm in its position that the allegations in these cases are without merit.

During 2017, the Group was negotiating with its insurance providers with regards to the coverage for incurred and future defence costs related to these cases. The Group reached an agreement in January 2018, pursuant to which insurance will reimburse the company for a certain portion of said costs.

Corporate governance

Corporate governance in the Group is based on the Swedish Companies Act, the Swedish Annual Accounts Act, the Rule Book for Issuers at Nasdaq Stockholm and the Swedish Corporate Governance Code (the "**Code**"), and other applicable Swedish and foreign laws, rules and regulations as well as internal governance documents. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. The Issuer is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, **provided that** any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "**comply or explain principle**").

Shareholders' meeting

According to the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*), the shareholders' meeting is the Issuer's ultimate decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Issuer's results, discharge from liability of the members of the Board and the CEO, election of members of the Board and external auditor and remuneration to the members of the Board and the external auditor. Participation in decision-making requires the shareholder's presence at the meeting, either personally or through a proxy.

Board of directors

The Board is the second-highest decision-making body of the Issuer after the shareholders' meeting and the highest executive body of the Issuer. According to the Swedish Companies Act, the Board is responsible for the organisation of the Issuer and the management of the Issuer's affairs, which means that the Board is responsible for, among other things, making decisions concerning major investments and operational changes, setting targets and establishing strategies, securing routines and systems for evaluation of such targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The Board is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board appoints the CEO. The chairman of the Board has a leading role and is responsible for ensuring that the Board's work is well organised and performed efficiently.

Members of the Board are normally appointed by the annual shareholders' meeting for the period until the end of the next annual shareholders' meeting. According to the Issuer's Articles of Association, the members of the Board elected by the shareholders' meeting shall be not less than three and not more than eight members with not more than three deputy members. The chairman of the Board is normally elected by the annual shareholders' meeting and shall have a special responsibility for leading the work of the Board and for ensuring that the work of the Board is efficiently organised.

The Board consists of seven ordinary members, including the chairman of the Board, with no deputy members, all of whom are elected for the period up until the end of the annual shareholders' meeting 2018.

The address of each of the members of the Board is the registered office of the Issuer.

There are no conflicts of interest or potential conflicts of interest between the obligations of the members of the Board and their private interests and/or other undertakings.

The table below shows the members of the Board.

FREDRIK CAPPELEN

Born 1957. Chairman of the board since 2013.

Education: M.Sc. in Economics from Uppsala University. Studies in political science at Uppsala University.

Other current assignments: Chairman of the board of directors of Terveystalo Oy and Transcom WorldWide AB. Member of the board of directors of Securitas AB.

Previous assignments (last five years): Chairman of the board of directors of Dustin Group AB, Byggmax Group AB, Granngården AB, Svedbergs AB and Sanitec Oy. Deputy chairman of the board of directors of Munksjö AB. Member of the board of directors of Carnegie Investment Bank AB and Cramo Oy. CEO and President of Nobia AB. CEO and member of the Group management of STORA Building-products AB. Vice President Marketing and Sales and member of Group management of STORA Finepaper AB. CEO of Kauko GmbH and Kauko International.

RAINER E. SCHMÜCKLE

Born 1959. Board member since 2011.

Education: Degree in Industrial Engineering at the University of Karlsruhe.

Other current assignments: Member of the board of directors of Autoneum Holding Ltd, Autoneum AG and Kunststoffteile Schwanden AG.

Previous assignments (last five years): Member of the board of directors of Wittur GmbH. CEO of MAG IAS GmbH. COO Automotive of Johnson Controls, Inc. and COO of Mercedes Cars of Daimler AG. President and CEO of Freightliner Corporation.

MAGNUS YNGEN

Born 1958. Board member since 2012.

Education: M.Sc and Licentiate of Technology from the Royal Institute of Technology in Stockholm.

Other current assignments: Chairman of the board of directors of Duni AB and Fractal Design AB. Deputy chairman of the board of directors of Intrum Justitia AB.

Previous assignments (last five years): President and CEO of Camfil AB. CEO and member of the board of directors of Husqvarna AB. Chairman of the board of directors of Sveba Dahlén Group AB. Member of the board of directors of Camfil AB and the non-profit organisations Teknikarbetsgivarna I Sverige and Teknikföretagen I Sverige.

ERIK OLSSON

Born 1962. Board member since 2015.

Education: B.Sc. in Business Administration and Economics from the Gothenburg School of Business, Economics and Law.

Other current assignments: CEO and member of the board of directors of Mobile Mini, Inc. Member of the board of directors of Ritchie Bros. Auctioneers, Inc. and of the non-profit organisation St Mary's Food Bank Alliance.

Previous assignments (last five years): CEO and member of the board of directors of RSC Holdings, Inc. Various senior positions in the United States, Brazil, and Sweden with Atlas Copco Group.

HELÉNE VIBBLEUS

Born 1958. Board member since 2017.

Education: B.Sc. in Business Administration and Economics from the University of Linköping.

Other current assignments: Vice President, Internal Audit and CAE, of Autoliv inc. Member of the board of directors and chairman of the audit committee of Scandi Standard AB.

Previous assignments (last five years): Member of the board of directors of Trelleborg AB, TradeDoubler AB, Marine Harvest ASA, Renewable Energy Corporation ASA, Orio AB, Swedbank Sjuhärad AB and Tyréns AB, Deputy chairman of the board of directors of SIDA. Chairman of the board of directors of Nordic Growth Market NGM AB and Invisio Communications AB. Chief Audit Executive and CAE of Elekta AB. Senior Vice President Group Controller of AB Electrolux. Partner (authorised public accountant) and member of the board of directors of PricewaterhouseCoopers.

JACQUELINE HOOGERGRUGGE

Born 1963. Board member since 2017.

Education: M.Sc. in Chemical Engineering from Rijks Universiteit Groningen.

Other current assignments: Member of the board of directors of Swedish Match and IKEA Industries.

Previous assignments (last five years): President Operations of Cloetta. Member of the board of directors of Cederroth International. Vice President Operations Medical Division Danone and Vice President Procurement of Danone's Worldwide Baby Division. Procurement Director, Factory Director, Supply Chain Manger, Operations Manager and Services Manager of Unilever. Sales Manager Hydrocarbon Sector, Marketing Coordinator and Process Engineer of Fluor Daniel.

PETER SJÖLANDER

Born 1959. Board member since 2017.

Education: M.Sc. in Economics from Gothenburg University.

Other current assignments: Senior Executive Advisor of Altor. Member of the board of directors of Eton Group AB, Fiskars Oy, SATS Elixia, Fit Flop Ltd and Varier Furniture. Chairman of the board of directors of Grundéns Rainwear and Revolution Race AB. Senior advisor to F&S.

Previous assignments (last five years): CEO of Helly Hansen AS. SVP, Product & Brand Europe, CMO Global Brand & Global Licensing of Electrolux AB. General Manager Central Europe NIKE CEE and Global Business Director, Nike ACG of Nike Inc. European Director of Footwear, Marketing Director European Outdoor and Director of Marketing Nordics of Nike Europe BV. Marketing and Buying Director of Intersport. Brand Director of Mölnlycke AB. Member of the board of directors of Swims AS, BTX Group A/S, OBH Nordica Group and Stadium AB.

The CEO and the Group Management

The CEO is subordinated to the Board and is responsible for the everyday management and operations of the Group. The division of work between the Board and the CEO is set out in the rules of procedure for the Board and the CEO's instructions issued by the Board. The CEO is also responsible for the preparation of

reports and compiling information for the Board's meetings and for presenting such materials at the Board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Group and consequently shall ensure that the Board receives adequate information for the Board to be able to evaluate the Group's financial condition.

The CEO shall continuously keep the Board informed of developments in the Group's operations, the development of sales, the Group's result and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Issuer's shareholders.

There are no conflicts of interest or potential conflicts of interest between the obligations of the CEO and the group management of the Group ("**Group Management**") and their private interests and/or other undertakings.

The table below shows the CEO and the members of the Group Management and when they were first appointed.

<u>Name</u>	<u>Position</u>	<u>First Appointed</u>	<u>Business Address</u>
Juan Vargues	CEO	2018	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Per-Arne Blomquist	CFO	2014	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Per-Nicklas Höglund	Head of Strategy, Group Projects and M&A	2014	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Peter Kjellberg	Chief Marketing Officer	2015	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Scott Nelson	President Americas	2016	Dometic Corporation, 13551 Triton Park Blvd. Suite 1000, 40223 Louisville, Kentucky, USA
Bengt Thorsson	President EMEA	2016	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Chialing Hsueh	President APAC	2006	DOMETIC ASIA CO., LIMITED, Suites 2207-2211, 22/F, Tower one,

<u>Name</u>	<u>Position</u>	<u>First Appointed</u>	<u>Business Address</u>
			The Gateway, 25 Canton Road, TST, Kln. Hong Kong
Anton Lundqvist	Chief Technology Officer	2018	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Anna Smieszek	Group General Counsel	2015	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden
Liselotte Bergmark	Head of Group HR	2015	Dometic Group AB (publ), Hemvärnsgatan 15, SE-17154 Solna, Sweden

JUAN VARGUES

Born 1959. CEO since 2018.

Education: Management Education IMD Lausanne (CH), Executive MBA Lund University (EFL), High School Degree in Mechanical Engineering Tekniska Vuxengymnasiet, Gothenburg

Other current assignments None

Previous assignments (last five years): Head of Entrance Systems at ASSA ABLOY. President and CEO of the Besam Group. Several positions within the SKF group.

PER-ARNE BLOMQUIST

Born 1962. CFO since 2014.

Education: B.Sc. in Business Administration and Economics from Stockholm School of Economics.

Other current assignments Chairman of the board of directors of Ceratiidae I AB and Ceratiidae II AB (publ).

Member of the board of directors of Djurgården Hockey AB, Owein AB, Owein Kapitalförsäkringar AB and Sunshine RV NV. Chairman of

the board of directors or member of the board of directors of several subsidiaries of Dometic Group AB (publ).

Previous assignments (last five years): Chairman of the board of directors of TeliaSonera Sverige Aktiebolag, TeliaSonera Norge Holding AB, Mossen Hockey AB and LBU Stockholm AB. Member of the board of directors of SIBIR International AB, Lernia AB and Neste Oil Abp. Acting CEO and deputy CEO of TeliaSonera AB.

PER-NICKLAS HÖGLUND

Born 1973. Head of Strategy, Group Projects and M&A since 2014.

Education: M.S.c degree in Civil Engineering from Chalmers University of Technology in Gothenburg and a M.Sc. degree in Accounting & Business Administration from School of business, economics and law at Gothenburg University.

Other current assignments: Member of the board of Mitte Holding AB. Deputy member of the board of directors of Acumen Associates AB.

Previous assignments (last five years): Partner at McKinsey & Company and member of the board of directors of Mitte AB and Mitte Invest AB.

PETER KJELLBERG

Born 1965. Chief Marketing Officer since 2015.

Education: Marketing economy, DIHM, IHM Business School.

Other current assignments: Member of the board of directors of USWE Sports AB. Sole proprietor of the sole proprietorship The Great Idea.

Previous assignments (last five years): Member of the board of directors of Thule IP AB and Thule Merchandizing AB. Deputy member of the board of directors of SIBIR International Aktiebolag. Senior Vice President of brand and marketing of Thule Sweden AB.

SCOTT NELSON

Born 1964. President Americas since 2016.

Education: B.Sc. in Economics & Management, Albion College, USA and MBA studies, Indiana University, USA.

Other current assignments Member of the board of directors of several subsidiaries of Dometic Group AB (publ).

Previous assignments (last five years): Global President Sullair Corporation, part of Accudyne Industries. Global President of Bobcat Company. President Americas and EMEA of Bobcat Company.

BENGT THORSSON

Born 1964. President EMEA since 2016.

Education: B.Sc. degree from Gothenburg School of Business, Sweden.

Other current assignments CEO or chairman of the board of directors or member of the board of directors of several subsidiaries of Dometic Group AB (publ).

Previous assignments (last five years): Senior Vice President Commercial Operations Europe for Scania.

CHIALING HSUEH

Born 1963. President APAC since 2016.

Education: M.Sc. in Marketing, University of Massachusetts, USA. B.Sc., Soochow University, Taiwan.

Other current assignments: CEO or chairman of the board of directors or member of the board of directors of several subsidiaries of Dometic Group AB (publ).

Previous assignments (last five years): Managing Director, Flooring Products Asia Pacific for Armstrong World Industries, Inc. Prior to joining Armstrong, Ms Hsueh worked for various multi-national companies including Philips Electronics and Electrolux in China.

ANTON LUNDQVIST

Born 1970. Chief Technology Officer since 2018.

Education: PhD. Chemical Engineering and Tech. Lic, Chemical Engineering – Electrochemistry, KTH (Royal Institute of Technology, Stockholm

Other current assignments: None

Previous assignments (last five years): None

ANNA SMIESZEK

Born 1964. Group General Counsel since 2015.

Education: Masters of Laws from University of Silesia and Stockholm University. PhD studies at Oxford University, Diploma Program in International Law from Stockholm University.

Other current assignments: Member of the board of directors of several subsidiaries of Dometic Group AB (publ).

Previous assignments (last five years): Chairman of the board of directors, member of the board of directors in Sapa AB and deputy member of the board of directors and/or CEO in several of its subsidiaries. Member of the board of directors in Orkla Industriinvesteringar AB and Gränges Skultuna AB.

LISELOTTE BERGMARK

Born 1966. Head of Group HR since 2015.

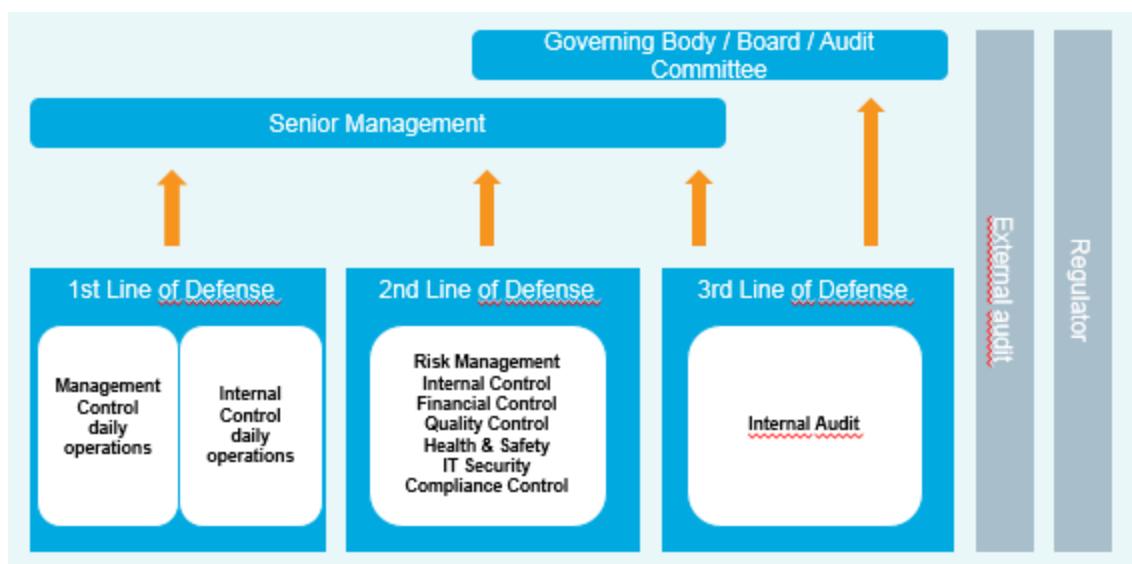
Education: B.Sc. and M.Sc in Human Resources from Linköping University.

Other current assignments: None

Previous assignments (last five years): Member of the board of directors of Sanitec Europe Oy and several of its subsidiaries.

Internal control and Risk Management

Internal control's financial reporting within the Group is designed, in line with the generally accepted COSO framework³, to ensure reliable financial reporting. In addition to financial reporting, internal control procedures support the organisation in managing identified risks and processes within the organisation. The Group has developed an internal system for internal control with control functions, such as financial and business control, functions for quality control, internal control and internal audit, in line with the generally accepted three lines of defence model.



Internal audit

The Group's internal audit function was established in November 2015 and strengthened during 2016 with regional internal audit managers being appointed in each of the three regions reporting directly to the Head of Internal Audit. The Head of Internal Audit reports to the chairman of the audit committee and to the CFO. The function has a risk-based and dynamic approach, where besides providing reasonable assurance of the effectiveness of the corporate governance, risk management and internal control, it seeks to add value to the operations by identifying weaknesses that can lead to non-compliance with the Group's policies and guidelines, unexpected losses and inefficiency. Internal audit reports quarterly to the audit committee.

The Group uses regional internal audit plans based on the outcome of the annual global and regional risk assessments to secure internal audit targeting and input from regional senior management to capture business needs. Since 2017, internal audits have been conducted systematically in line with a defined internal audit process that includes several steps resulting in formal internal audit reports and follow up on agreed actions. Internal audit plans are presented by the Head of Internal Audit and approved by the audit committee. The Group's internal audit policy is approved by the Board and a global internal audit instruction is guiding how internal audit shall be performed in each region.

Audit committee

The Group has an audit committee consisting of three members: Magnus Yngen (chairman), Heléne Vibbleus and Jacqueline Hoogerbrugge. The audit committee shall, without it affecting the responsibilities and tasks of the Board, monitor the Group's financial reporting, monitor the effectiveness of the Group's internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Group, and assist in the preparation of proposals for the shareholders' meeting's decision on election of auditors.

³ The 2013 COSO (The Committee of Sponsoring Organizations of the Treadway Commission) Framework and Appendices.

Control environment

The control environment at the Group constitutes the framework for the direction and culture communicated to the organisation by the Board and Group Management. Internal guidance and control in accordance with established frameworks is a part of the management work. The Board and Group Management define and formulate decision-making channels, authority and responsibility which are communicated throughout the organisation. The Board also strives to ensure that governance documents, such as internal policies and guidelines, cover identified and significant areas, and that they provide proper guidance for the relevant employees in the Group.

Risk assessment

The Group has a risk management process with a risk committee. The quarterly risk committee meetings are administrated by an appointed risk coordinator. The chairman of the risk committee is the CFO. The risk committee consists of representatives from regional operations, product development and innovation, finance, HR, legal, quality and internal audit. The main tasks of the risk committee are to evaluate company risks and risk assessment, discuss recent risk-related issues, evaluate and approve risk-related actions and activities, discuss and approve risk governance (policies and activities), and facilitate input from risk committee members and significant risk-related reports. The committee is the internal forum to address risks. A summary of the committee's work is presented at least quarterly to the audit committee and the Board.

Control activities

The Group maintains a comprehensive financial reporting system which enables comprehensive monitoring of Group performance. Financial reports for the different legal entities and regions are reviewed on a continuous basis by the central finance function. This entails a thorough monitoring of the financial results in accordance with the financial reporting calendar for the financial year.

Financial data is reported by approximately eighty reporting units and the CFO as well as other representatives of the central finance function meet the region managers and review the region's results every month in accordance with the routines for reporting that are stipulated in the Group's finance manual. These reports are the basis for the Group's consolidated financial reporting.

Business reviews are carried out on a quarterly basis, where the CEO, the CFO and relevant representatives of the central functions meet the management of the respective region to discuss the business.

The product portfolio is reviewed on a monthly and quarterly basis as part of the internal process for product development. Larger projects are reviewed at least on a quarterly basis.

The Group has implemented an internal control framework, so called Minimum Internal Control Requirements ("**MICR**"), which covers eight key processes (entity level controls, purchase to pay, production, inventory, order to cash, payroll, fixed assets and financial closing). The MICR framework was rolled-out in 2016 and further developed during 2017. MICR self-assessments are conducted on entity level. MICR is supported by regional coordinators and monitored by the Group's central internal control function and evaluated by the internal audit function.

Description of alternative performance measures

This section provides further information relating to alternative performance measures ("**APMs**") for the purposes of the guidelines (the "**Guidelines**") published by the European Securities and Markets Authority ("**ESMA**"). Certain of the financial measures included in the "*Description of the Group*" above can be characterised as APMs and we set out below a summary of the APM used, the definition, bases of calculation and reconciliation of such APMs and the rationale for their inclusion.

The Issuer believes that the presentation of these APMs is helpful to investors because these and other similar measures are used by certain investors as supplemental measures of performance and liquidity. However, these measures are not measures of financial performance under IFRS and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS. Other companies, including those in the Group's industry, may calculate these measures differently from the Group. As all companies do not calculate such measures in the same manner, the presentation of these

measures pertaining to the Group may not be comparable to other similarly titled measures of other companies.

Measure	Definition
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization.
I.a.c. – items affecting comparability	Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing profit for the current period with previous periods. Items included are for example restructuring programs, expenses related to major revaluations, gains and losses from acquisitions or disposals of subsidiaries.
Net debt	Total borrowings including pensions and accrued interest less cash and cash equivalents
Net debt/EBITDA	Net debt divided by EBITDA
Net Sales Growth/Organic growth	Sales growth excluding acquisitions/divestments and currency translation effects. Quarters calculated at comparable currency, applying latest period average rate.
Operating cash flow	EBITDA +/- change in working capital excluding paid tax, after capital expenditure.
Operating profit (EBIT)	Operating profit; earnings before financial items and taxes.
Operating profit (EBIT) margin	Operating profit divided by net sales

TAXATION

The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for Noteholders. These summaries are intended as general information only and each prospective Noteholders should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

Taxation in the Kingdom of Sweden

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary does not address, inter alia, situations where the Notes are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.

Holders not tax resident in the Kingdom of Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a holder of Notes should not be subject to Swedish income tax, **provided that** such a holder (i) is not resident in the Kingdom of Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in the Kingdom of Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see "Holders tax resident in the Kingdom of Sweden" below).

Holders tax resident in the Kingdom of Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in the Kingdom of Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on a Note and to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, or in certain cases a clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by such legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

The proposed financial transactions tax (the "FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "participating Member State"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in

a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a defined term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 16 May 2018 (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

- (b) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy the Notes or distribute any draft or definite document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms therefore in all cases at its own expense.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")] [MiFID II]; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

Final Terms dated [•]

DOMETIC GROUP AB (PUBL)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [insert Programme Amount] [Euro Medium Term Note Programme]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 16 May 2018 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended (the Prospectus Directive). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Issuer (www.dometic.com) and the website of Euronext Dublin (www.ise.ie).]

- | | | | |
|----|-------|--|---|
| 1. | (i) | Issuer: | Dometic Group AB (publ) |
| 2. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [22] below [which is expected to occur on or about [insert date]]].] |

3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount: [•]
- (i) Series: [•]
- (ii) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date *[Specify/Issue Date/Not Applicable]*
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[•] month [LIBOR/EURIBOR/STIBOR] +/- • per cent. Floating Rate]
- [Zero Coupon]
- (See paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[•]/[100]] per cent. of their nominal amount.
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]*
12. Put/Call Options: [Investor Put]
- [Change of Control Put]
- [Issuer Call]
- See paragraph [17/18/19] below)
13. [Date [Board] approval for issuance of [•] Notes obtained: *(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date]

- (ii) Interest Payment Date(s): [•] in each year
 - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
 - (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
 - (v) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]
 - (vi) [Determination Dates: [•] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[•] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
 - (ii) Specified Interest Payment Dates: [[•] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
 - (iii) Interest Period Date: [Not Applicable]/ [[•] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
 - (iv) First Interest Payment Date: [•]
 - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
 - (vi) Business Centre(s): [•]

- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [•]
- (ix) Screen Rate Determination:
- Reference Rate: [[•]month [LIBOR/EURIBOR/STIBOR]]
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•]
- (x) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - [– ISDA Definitions [2000/2006]]
- (xi) [Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xii) Margin(s): [+/-][] per cent. per annum
- (xiii) Minimum Rate of Interest: [•] per cent. per annum
- (xiv) Maximum Rate of Interest: [•] per cent. per annum
- (xv) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Amortisation Yield: [•] per cent. per annum

- (ii) [Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual] [Actual/Actual – ISDA] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [30/360] [360/360] [Bond Basis] / [30E/360] [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]]

PROVISIONS RELATING TO REDEMPTION

17. Call Option [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [[•] per Calculation Amount/[Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]] *(include this option where one Optional Redemption Amount (Call) is required)*

[If the Call Option Notice is dated before the date falling [•] days/months prior to the Maturity Date: [•] per Calculation Amount/[Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]

If the Call Option Notice is dated on or after the date falling [•] days/months prior to the Maturity Date: [•] per [Calculation Amount/Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]] *(include this option where more than one Optional Redemption Amount (Call) is required)*

- [(iii) Reference Bond: [•]]
- [(iv) Quotation Time [•]]
- [(v) Redemption Margin: [•]]
- [(vi) Reference Date: [•]/ As per the Conditions]
- (vii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (viii) Notice period: [•] days

18. Put Option [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount

- (iii) Notice period: [•] days
19. Change of Control Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
- (ii) Put Period: [•]
- (iii) Put Date: [•]
20. Final Redemption Amount of each Note [•][Par] per Calculation Amount
21. Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [•]/[Par] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- Registered Notes:**
- [Regulation S Global Note (US\$/€[•] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
23. New Global Note: [Yes] [No]
24. Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]

25. Talons for future Coupons to be [No/Yes. As the Notes have more than 27 coupon attached to Definitive Notes (and dates payments, talons may be required if, on exchange into on which such Talons mature): definitive form, more than 27 coupon payments are still to be made.]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). [Each of the] [The] Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of Euronext Dublin and listed on the official list of Euronext Dublin] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of Euronext Dublin and listed on the official list of Euronext Dublin] with effect from [•].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: [•]]

[Moody's: [•]]

[[Fitch: [•]]

[[Other]: [•]]

[[•] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]

[[•] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority].]

[[•] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]

[[•] is not established in the EEA but the rating it has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]

[[•] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]

[[•] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

[FISN: [•]/Not Applicable]

[CFI Code: [•]/Not Applicable]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Names of Managers: [Not Applicable/give names]
- (B) Stabilisation Manager(s) (if any): [Not Applicable/give names]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (iv) US Selling Restrictions: [Reg. S Compliance Category [1/2/3];
TEFRA C/ TEFRA D/ TEFRA not applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the Central Bank of Ireland. Application will be made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on the Market. However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) agree.
- (2) The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer and passed on 25 April 2018.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2018 and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2017.
- (4) Except as disclosed in the section of this Base Prospectus entitled "*Description of the Group – Litigation and Arbitration*" neither the Issuer nor any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN), the Financial Instruments Short Name (FISN), the Classification of Financial Instruments (CFI) Code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (7) The Legal Entity Identifier (LEI) code for the Issuer is 549300STIPMK5VSA7Y59.
- (8) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (9) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (10) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (11) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer:
 - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (ii) the Agency Agreement;
 - (iii) the Memorandum and Articles of Association of the Issuer;

- (iv) the published annual report and audited accounts of the Issuer and the Group for the years ended 31 December 2016 and 31 December 2017, including the audited consolidated annual accounts for the two years ended 31 December 2016 and 31 December 2017;
- (v) the published interim report of the Issuer and the Group for the three months ended 31 March 2018 including the unaudited interim financial statements for the three months ended 31 March 2018;
- ((vi) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity); and
- (vii) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus.

This Base Prospectus, the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Central Bank at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and the website of Euronext Dublin at www.ise.ie.

- (12) Copies of the latest annual report and accounts of the Issuer and the latest interim accounts of the Issuer may be obtained, and copies of the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (13) PricewaterhouseCoopers AB of Torsgatan 21, 113 97 Stockholm, Sweden, (Chartered Accountants) a member of the Swedish Organisation of Certified Public Accountants (FAR in Sweden, the institute for the accounting profession in Sweden) has audited and rendered unqualified audit reports on the accounts of the Issuer for the three years ended 31 December 2017.
- (14) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business.
- (15) The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
- (16) The Irish Listing Agent is Walkers Listing Services Limited and the address of its registered office is 5th Floor, The Exchange, Georges Dock, IFSC, Dublin 1 Ireland. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Main Securities Market of Euronext Dublin.

Registered Office of the Issuer

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The Trustee

Deutsche Trustee Company Limited

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Dealers

Deutsche Bank AG, London Branch

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Nordea Bank AB (publ)

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Sweden

Skandinaviska Enskilda Banken AB (publ)

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106 40 Stockholm
Sweden

Issuing and Paying Agent

Deutsche Bank AG, London Branch

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United Kingdom

Registrar and Transfer Agent

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L-1115 Luxembourg

Arranger

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Irish Listing Agent

Walkers Listing Services Limited

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IFSC, Dublin 1
Ireland

Auditors

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SE-113 21 Stockholm
Sweden

**Legal Advisers
To the Issuer**

in respect of English law

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in respect of Swedish law

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To the Dealers and the Trustee as to English law

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