

SECURITES NOTE



KONGSBERG AUTOMOTIVE ASA

(A public limited liability company organised under the laws of Norway)

The information in this securities note (the "**Securities Note**") has been prepared in connection with the listing of the Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028 ISIN NO0013260943 (the "**Bonds**") on Oslo Børs, a regulated market operated by Oslo Børs ASA ("**Oslo Børs**"), issued by Kongsberg Automotive ASA (the "**Issuer**", and together with its Subsidiaries, the "**Group**", and the Issuer together with the guarantors (the "**Guarantors**") under the Bond Terms, the "**Issuer Group**") on 24 June 2024, pursuant to the bond agreement dated 20 June 2024 (the "**Bond Terms**") entered into between the Issuer and Nordic Trustee AS (the "**Trustee**") (the "**Bond Issue**").

This Securities Note does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein. This Securities Note serves as part of a listing prospectus as required by applicable laws, and no securities are being offered or sold pursuant to this Securities Note.

Investing in the Issuer and the Bonds involves a high degree of risk. Prospective investors should read the entire Securities Note and in particular consider Section 1 "Risk Factors" before investing in the Bonds and the Issuer.

Joint Global Coordinators and Joint Bookrunners



Danske Bank

The date of this Securities Note is 13 December 2024

IMPORTANT INFORMATION

This Securities Note has been prepared by the Issuer in connection with the listing of the Bonds on Oslo Børs. Please see Section 6 "Definitions and Glossary" for definitions of terms used throughout this Securities Note.

This Securities Note has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 No. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Securities Note together with the Registration Document constitutes the Prospectus. This Securities Note has been prepared solely in the English language. This Securities Note has been approved by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the "**NFSA**"), as a competent authority under the EU Prospectus Regulation. The NFSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities.

No person is authorised to give information or to make any representation concerning the Issuer other than as contained in this Securities Note or any other information provided in connection with the Bonds. If any such information is given or made, it must not be relied upon as having been authorised by the Issuer.

The distribution of this Securities Note may be restricted by law in certain jurisdictions. This Securities Note does not constitute an offer of, or an invitation to purchase, any of the Bonds in any jurisdiction. This Securities Note may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Securities Note are required to inform themselves about and to observe any such restrictions. In addition, the Bonds are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained herein is current as of the date of this Securities Note and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, new information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Bonds, will be mentioned in a supplement to this Securities Note without undue delay. Neither the publication nor the distribution of this Securities Note, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Securities Note.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into the Issuer and the Bonds, including the merits and risks involved. The content of this Securities Note is not to be construed as legal, credit, business or tax advice. Each investor should consult its own legal, credit, business or tax advisor as to a legal, credit, business or tax advice.

This Securities Note is governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo district court (Nw.: *Oslo tingrett*) as the legal venue, have exclusive jurisdiction to settle any dispute that may arise out of or in connection with this Securities Note.

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1. RISK FACTORS

An investment in the Bonds involves inherent risk. Before making an investment decision with respect to the Bonds, investors should carefully consider the risk factors set out in this Section 1 and all information contained in this Securities Note, including the financial statements and related notes. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The risks and uncertainties described in this section are the material known risks and uncertainties related to the Bonds that the Issuer believes are the material risks associated with this type of investment.

1.1 Risk factors related to the Bonds

1.1.1 Risks of being unable to repay the Bonds

During the lifetime of the Bonds, the Issuer will be required to make payments on the Bonds, and as the Issuer is a holding company, it is dependent on distributions from its subsidiaries to make such payments. The ability to generate cash flow from operations and to make scheduled interest payments on indebtedness, including the Bonds, will depend on future financial performance of the Group. If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditure, selling assets, restructuring or refinancing indebtedness or seeking equity capital. The Group's ability to successfully refinance such debt is dependent on the financial condition of the Group and conditions of the financial markets in general at such time. The Group cannot assure investors that any of these alternative strategies could be implemented on satisfactory terms, if at all, or that they would yield sufficient funds to make required payments on the Bonds and other indebtedness. In addition, any failure to make scheduled payments of interest and principal on outstanding indebtedness is likely to result in a reduction of credit rating, which could harm the ability to incur additional indebtedness on acceptable terms.

1.1.2 The Issuer may have insufficient funds to make required repurchases of Bonds

The Bond Terms provide for certain redemption and repurchase mechanics in respect of the Bonds which entail redemption or repurchase with a premium, either voluntary or mandatorily. The latter will be the case, *inter alia*, upon the occurrence of a Change of Control Event, whereby each individual holder of Bonds (a "**Bondholder**") shall have a right (put option) to require that the Issuer re-purchase the Bonds at a price of 101% of the nominal amount of the Bonds (plus accrued interest). However, it is possible that the Issuer will have insufficient funds at the time of the put option event to make the required repurchase of the Bonds, which could adversely affect the Issuer, e.g., by causing insolvency or an event of default under the Bond Terms, and consequently adversely affect all Bondholders and not only those that choose to exercise the option.

1.1.3 The Bonds are structurally subordinated to liabilities of the Issuer's subsidiaries

Generally, claims of creditors of the Issuer's subsidiaries including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by such subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of the Issuer and will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder, in each case to the extent the Issuer's obligations are not guaranteed by the relevant entity. Accordingly, absent a guarantee from the relevant subsidiary, the Bonds will be structurally subordinated to all such creditors' claims against such subsidiaries and in an enforcement scenario, such creditors will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

1.1.4 A trading market may not develop, and market price may be volatile

The Bonds will be new securities for which there is currently no trading market. The Issuer has not entered into any market making scheme to ensure liquidity in the Bonds. As such, there is a risk that (i) no market may develop for the Bonds, and any market may have limited liquidity; (ii) it will be limited ability for Bondholders' (as defined in the Bond Terms) to sell the Bonds and (iii) the price at which Bondholders would be able to sell the Bonds may be lower than such Bondholder's view of the value. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

1.1.5 Limitations on guarantees and security interests

The guarantors are incorporated in different jurisdictions, where, *inter alia*, legal restrictions may apply to the granting of security and/or guarantees provided in connection with an acquisition of shares in companies within

a group and there might also be requirements to receive corporate benefit as consideration for granting financial assistance. Furthermore, there may be certain legal limitations on the maximum secured amount of a security interest or guarantee. As an example, any guarantee provided by entities incorporated in Switzerland will be limited to such entities' freely distributable reserves at the time of enforcement. The Bond Terms will contain agreed security principles pursuant to which the members of the Group will not be required to grant security and/or guarantees to the extent that would conflict with applicable law. The agreed security principles also provide that certain security and/or guarantees may be limited, cannot be perfected or are otherwise subject to limitations. It is possible that such limitations will reduce the value of the security package and negatively affect the Bondholders.

Security and/or guarantees will not be granted by Material Group Companies (as defined in the Bond Terms) which are not eligible entities, i.e. entities incorporated in the Republic of India, the People's Republic of China, Brazil or Mexico. Such members of the Group hold, and may in the future hold, a substantial part of the Group's assets. Accordingly, as certain of these companies are Material Group Companies, security will not be granted by and over members of the Group representing 80 per cent. of EBITDA and Total Assets (as defined in the Bond Terms) which will reduce the value of the security package compared to if such group members were to grant security. The eligibility is not affected by the amount of EBITDA or Total Assets of such group members, meaning that such companies may, depending on future operations of the Group, have a majority of the EBITDA or Total Assets of the Group and still not be required to grant security.

Due to the Group's legal structure and that certain Material Group Companies are direct subsidiaries of the Issuer, and as the Issuer is a listed company, share pledge will not be granted over the shares of the Issuer, there will not be a single point of enforcement for the Bondholders. In an enforcement scenario, the lack of a single point of enforcement may complicate an enforcement as several separate share pledges have to be enforced.

1.1.6 The security granted may not be sufficient to cover amounts owed to Bondholders

The Bonds will be secured by guarantees from certain members of the Group as well as by security interests over shares in certain group companies and certain intra-group loans. However, there can be no certainty that the entities issuing the guarantees are creditworthy or that the value of the security interests in the Group's assets is, or will be, sufficient to cover amounts owed by to the Bondholders.

The Bonds will be secured on a *pari passu* basis with the other secured parties under the security package, subject to the super senior status of (i) certain facilities with an aggregate principal amount outstanding not exceeding the higher of (A) EUR 45,000,000 (or the equivalent amount in any other currency) and (B) 1.00x EBITDA (calculated at the time of commitment) and (ii) hedging arrangements provided by hedging providers to the Group. The super senior creditors will, *inter alia*, receive the proceeds from any enforcement of the security and the guarantees and certain distressed disposals prior to the Bondholders in accordance with the waterfall provisions of any applicable intercreditor agreement. Any intercreditor agreement will also contain certain provisions regulating instruction rights, including instructions as to enforcement. Upon certain conditions being met, such instruction right may be held entirely by a defined majority of super senior creditors which may have conflicting interests with the Bondholders in a default and enforcement scenario, including an incentive to take enforcement steps which may be detrimental to the value of the Bonds and recovery for the Bondholders. Consequently, and although the Bonds are secured obligations of the Issuer, there is a risk that the value of the security will not be sufficient to cover all the outstanding amounts under the Bond Terms together with accrued interest and expenses in case of a default and/or if the Issuer enters liquidation.

Furthermore, enforcing the guarantees and security interests may be an expensive and time-consuming process involving complex legal proceedings, and there can be no certainty that it will be successful. Even if the Bondholders are successful in bringing an action in a jurisdiction, local laws may prevent or restrict the Bondholders from enforcing a judgment against a member of the Group, the Group's assets, or the assets of its officers.

1.1.7 Restrictions imposed under the Bond Terms and other credit agreements may lead to inability to finance operations, capital needs and to pursue business opportunities

The Bond Terms contains certain covenants that restrict the Issuer's ability to, among other things, merge, de-merge and dispose of assets and grant financial support. Even though these limitations are subject to certain carve-outs and limitations, some of the covenants could limit the Issuer's ability to finance future operations and capital needs and its ability to pursue activities that may be in the Group's interest. Further, Group companies are subject to affirmative, negative and other covenants contained in other agreements for financial indebtedness. A breach of any of such covenants, ratios, tests or restrictions could result in an event of default. The operating and financial restrictions in the Group's agreement could have a material adverse effect on the

Group and its ability to carry on its business and operations and, in turn, the Issuer's ability to pay all or part of the interest or principal on the Bonds.

1.1.8 Bondholders may be overruled by majority votes taken in Bondholders' meetings

The Bond Terms will include certain provisions regarding Bondholders' meetings and written procedures. Such meetings and procedures may be used to reach decisions on matters relating to the Bondholders' interests. The Bond Terms will allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted against the majority. Consequently, there is a risk that the actions of the majority in such matters will impact a Bondholder's rights in a manner that is undesirable to it.

1.1.9 No action against the Issuer and Bondholders' representation

In accordance with the Bond Terms, the bond trustee will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking action on their own against the Issuer. Consequently, individual Bondholders do not have the right to take enforcement action against the Issuer if it defaults and they will instead need to wait until a requisite majority of Bondholders agrees to take such action. According to the Bond Terms, the bond trustee will in some cases have the right to make decisions and take actions that bind all Bondholders. It is possible that such decisions and actions will negatively affect one or more Bondholders, as the bond trustee will act based on the interest of all the Bondholders together, and such interest may differ from the interest of each individual Bondholder.

1.1.10 Restrictions on transferability of the Bonds

As the Group is relying upon exemptions from registration under the U.S. Securities Act, applicable U.S. state securities laws, UK and EU securities laws in the placement of the Bonds, the Bonds may only be transferred in a transaction registered under, or exempt from, the registration or prospectus requirements of such legislation in the future. This limits the Bondholders' ability to offer or sell the Bonds in certain jurisdictions. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a Bondholder will not be able sell its Bonds as desired.

2. RESPONSIBILITY FOR THE SECURITIES NOTE

2.1 Person responsible for the information

This Securities Note has been prepared in connection with the Listing of the Bonds on Oslo Børs.

The legal person responsible for the information provided in this Securities Note is Kongsberg Automotive ASA, a public limited liability company organised and existing under the laws of Norway, registered with the Norwegian Register of Business Enterprises with business registration number 942 593 821 and LEI Code 5967007LIEEXZXJDCG21. The Issuer's registered address is Dyrmyrgata 48, 3611 Kongsberg, Norway.

2.2 Declaration of responsibility

The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer confirms that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

13 December 2024

Kongsberg Automotive ASA

Signed by:

C7CC87852DB7448...

Name: Christian Johansson
Title: CFO, authorized signatory

2.3 Regulatory statements

The Issuer confirms that:

- a) this Securities Note has been approved by the NFSA, as competent authority under the Prospectus Regulation;
- b) the NFSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation;
- c) such approval should not be considered as an endorsement of the quality of the securities that are the subject of this securities note; and
- d) investors should make their own assessment as to the suitability of investing in the securities..

3. INFORMATION ABOUT THE BONDS

3.1 Information and details of the Bonds

The Bond Issue is governed by the Norwegian law bond terms entered into on 20 June 2024 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the Trustee on behalf of the Bondholders (the "**Trustee**"), resolved to be issued by the board of the Issuer on 3 June 2024. Below is an overview of the Bond Terms. A copy of the Bond Terms is attached to the Securities Note as Appendix 1.

In this section, capitalised terms used and not defined herein shall have the same meaning as in the Bond Terms.

ISIN code:	NO 0013260943
The Bonds:	Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028
Issuer:	Kongsberg Automotive ASA, a company existing under the laws of Norway with registration no. 942 593 821
LEI code:	5967007LIEEXZXJDCG21
Date of Bond Terms:	20 June 2024
Security type:	Senior secured bonds
Group:	The Issuer together with its Subsidiaries
Guarantors:	Each Material Group Company from time to time which is an Eligible Entity. On the date of this Securities Note, the Guarantors comprise: <ul style="list-style-type: none"> - Kongsberg Automotive Holding 2 AS; - Kongsberg Automotive AS; - Kongsberg Actuation Systems B.V.; - KA Group AG; - Kongsberg Driveline Systems I, LLC; - Kongsberg Actuation Systems II, LLC.; - Kongsberg Holding III, Inc.; - Kongsberg Automotive Inc.; - Kongsberg Power Products Systems I, LLC; - Kongsberg Automotive Sp. z.o.o.; - Kongsberg Power Products Systems AB; and - Kongsberg Actuation Systems Ltd.
Eligible Entity:	Any Material Group Company, other than a Material Group Company which is incorporated in the Republic of India, the People's Republic of China, Brazil or Mexico.
Material Group Company:	The Guarantors and any Subsidiary of the Issuer which has subsequently been designated as a Material Group Company by the Issuer pursuant to Clause 13.12 (Nomination of Material Group Companies).
Maximum Issue Amount:	160,000,000
Initial Bond Issue:	110,000,000
Nominal Amount:	The nominal value of each Bond at any time, with the initial nominal value of each Bond being 100,000.

Currency:	EUR
Securities Form:	The Bonds are electronically registered in book-entry form with the CSD.
Issue Date:	24 June 2024
Interest bearing:	From and including 24 June 2024 until Maturity Date.
Maturity Date:	24 June 2028 (4 years after the Issue Date)
Interest Rate:	3 Months Euribor (zero floor) plus the Margin of 5.25 per cent. p.a.
Margin:	5.25 per cent. p. a.
Reference Rate:	EURIBOR (European Interbank Offered Rate) being: <ul style="list-style-type: none"> (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11:00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or, (b) if no screen rate is available for the interest rate under paragraph (a) for the relevant Interest Period: <ul style="list-style-type: none"> (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or (ii) a rate for deposits in the Bond Currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to: <ul style="list-style-type: none"> (i) any relevant replacement reference rate generally accepted in the market; or (ii) such interest rate that best reflects the interest rate for deposits in the Bond Currency offered for the relevant Interest Period.
Current rate:	8.95 per cent. p.a.
Interest Period:	The periods between 24 March, 24 June, 24 September and 24 December each year, subject to adjustment in accordance with the Business Day Convention, provided however that an Interest Period shall not extend beyond the Maturity Date.
Calculation of interest:	Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period. Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with the above. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee on behalf of the Issuer, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

Interest Payment Date:	The last day of each Interest Period, the first Interest Payment Date being 24 September 2024 and the last Interest Payment Date being the Maturity Date.
Business Day:	A day on which both the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.
CSD:	The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA, with the Paying Agent keeping the records.
Business Day Convention:	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day.
Indication of yield:	<p>Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). As the Bonds have a floating reference rate, it is the market's expectations of risk premium, i.e. margin that affects the price. If the price has increased, the yield for the purchaser in the secondary market, given that the reference rate does not change, will be lower than the interest rate of the Bonds and vice versa.</p> <p>Yield for the Interest Period (20 June 2024 – 23 September 2024) is 8.95 per cent. p.a. assuming a price of 100 %.</p> <p>The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet»</p> <p>At the Issue Date, 8.95 per cent. p.a.</p>
Amortisation:	The Bonds shall be repaid in full on the Maturity Date at a price of 100.00% of the Nominal Amount (par value).
Payment Date:	Any Interest Payment Date or any Repayment Date
Additional Bonds:	The debt instrument issued under a Tap Issue, including any Temporary Bonds.
Voluntary early redemption – Call Option:	<p>The Issuer may redeem all or some of the Outstanding Bonds (the “Call Option”) on any Business Day from and including:</p> <ul style="list-style-type: none"> (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount; (ii) the First Call Date to, but not including, the Interest Payment Date in December 2026 at a price equal to 104.49 per cent. of the Nominal Amount for each redeemed Bond; (iii) the Interest Payment Date in December 2026 to, but not including, the Interest Payment Date in June 2027 at a price equal to 103.37 per cent. of the Nominal Amount for each redeemed Bond; (iv) the Interest Payment Date in June 2027 to, but not including, the Interest Payment Date in December 2027 at a price equal to 102.25 per cent. of the Nominal Amount for each redeemed Bond; and (v) the Interest Payment Date in December 2027 to, but not including, the Maturity Date at a price equal to 101.12 per cent. of the Nominal Amount for each redeemed Bond. <p>Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.</p>

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable, but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the call notice shall be null and void. The call notice shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice. Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

- First Call Date: The Interest Payment Date in June 2026 (2 years after the Issue Date).
- Make Whole Amount: An amount equal to the sum of the present value on the Repayment Date of:
- (d) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a)(ii) of Clause 10.2 (Voluntary early redemption – Call Option) as if such payment originally had taken place on the First Call Date; and
 - (e) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to and including the First Call Date,
- where the present value shall be calculated by using a discount rate of 3.87 per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.
- Call Option Repayment Date: The settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (Voluntary early redemption – Call Option), paragraph (d) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) of the Bond Terms or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.
- Decisive Influence: Means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):
- (a) a majority of the voting rights in that other person; or
 - (b) a right to elect or remove a majority of the members of the board of directors of that other person.
- Mandatory repurchase due to a Put Option Event: Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.
- The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable. Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date. If Bonds representing more than 90.00 per cent of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated above (i.e. a price equal to 101.00 per

	cent of the Nominal Amount) by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
Put Option Event:	Means a Change of Control Event or a De-Listing Event.
Change of Control Event:	Means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.
De-Listing Event:	Means if the ordinary Shares of the Issuer are delisted from the Oslo Stock Exchange.
Put Option Repayment Date:	The settlement date for the Put Option pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event).
Early redemption due to tax event:	If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (Taxation) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
Tax Event Repayment Date:	The date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (Early redemption option due to a tax event) of the Bond Terms.
Repayment Date:	Any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.
Status of the bonds:	<p>The Bonds shall constitute senior and unsubordinated obligations of the Issuer and will rank pari passu between themselves and at least pari passu with other creditors (except such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).</p> <p>The Bonds will be secured on a pari passu basis with the other Secured Parties in respect of the Transaction Security subject to the super senior status of each Revolving Credit Facility and any Permitted Hedging as set out in the Intercreditor Agreement.</p> <p>The RCF Creditors and Hedge Counterparties will receive (i) the proceeds from any enforcement of the Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event in respect of any Transaction Security, prior to the Bondholders and the Bond Trustee, but otherwise rank pari passu in right of payment with the Bonds, in accordance with the waterfall provisions of the Intercreditor Agreement, subject to obligations which are mandatorily preferred by law.</p>
Finance Documents:	The Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document
Transaction Security:	Any Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

Undertakings:	Undertakings apply to the Issuer, including but not limited to certain information undertakings and certain financial covenants. See Clauses 12 (Information undertakings) and 13 (General and financial undertakings) for more information.
Listing:	The Issuer shall: (i) use reasonable efforts to ensure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange within two months after the Issue Date; (ii) apply for listing of the Bonds on Oslo Børs or another Exchange as soon as reasonably practicable after the Issue Date, but in no event later than six (6) months after the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full; and (iii) apply for listing of any Temporary Bonds on an Exchange within 6 months of the issue date for such Temporary Bonds.
Listing Failure Event:	Means: <ul style="list-style-type: none"> (i) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within six (6) months after the Issue Date; (ii) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or (iii) that the Temporary Bonds have not been admitted to listing on the Exchange which the other Bonds are listed within 6 months following the issue date for such Temporary Bonds. <p>Upon a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under the Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.</p>
Use of proceeds:	The Net Proceeds is EUR 108,000,002. The Net Proceeds from the Bond Issue was employed to repay the Existing Bond Debt and the remaining part thereof was used towards general corporate purposes of the Group.
Bondholders' Meeting:	Means a meeting of Bondholders as set out in Clause 15 (Bondholders' Decisions).
Limitation of claims:	All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.
Trustee:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
Calculation Agent:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
Global Coordinators and Joint Bookrunners:	ABG Sundal Collier ASA and Danske Bank, Norwegian branch.
Role of Trustee:	The Trustee acts as the representative of all the Bondholders, monitoring the Issuer's performance of obligations pursuant to the Bond Terms, supervising the timely and correct payment of principal or interest, arranging Bondholders' Meetings, and taking action on behalf of all the Bondholders as and if required. The Bondholders shall be bound by the terms and conditions of the Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.

	<p>The Trustee is always acting with binding effect on behalf of all the Bondholders.</p> <p>For further details of the Trustee's role and authority as the Bondholders' representative, see clause 16 of the Bond Terms.</p>
Paying Agent:	Danske Bank, Norwegian branch, Bryggetorget 4, 0150 Oslo, Norway.
Transfer of Bonds:	<p>The Issuer and the Group Companies may purchase and hold Bonds and such Bonds may be retained or sold, but not cancelled (other than in relation to a process of full redemption of all Outstanding Bonds) in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event).</p> <p>Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.</p> <p>A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>
Taxation:	<p>Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents. Each Obligor shall, if any tax is withheld in respect of the Bonds under the Finance Documents:</p> <ul style="list-style-type: none">(i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and(ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made. <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p> <p>The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.</p>
Legislation under which the Bonds have been created:	Norwegian law.
Fees:	Prospectus fee (NFSA): NOK 120,000 Listing fee (Oslo Børs): NOK 16,500 first year, thereafter NOK 66,000 Registration fee (Oslo Børs): NOK 60,000 Legal fees in connection with the listing: approx. NOK 300,000
Market making:	No market-maker agreement has been made for this Bond Issue.
Rating:	No credit rating has been assigned to the Bonds as of the date of this Securities Note.
Securities Note:	This Securities Note is dated 13 December 2024.

3.2 Listing

The Bonds are listed on the Open Market of the Frankfurt Stock Exchange. Other than this, the Issuer has not applied for listing of the Bonds on any other regulated market, third country market, SME Growth Market or MTF.

The Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange as soon as possible after approval by the NFSA of the Prospectus.

3.3 Interest of natural and legal persons involved in the Bond Issue

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

3.4 Information sourced from third parties and expert opinions

Any information sourced from third parties in this Securities Note has been identified where relevant and accurately reproduced. As far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer confirms that no statement or report attributed to a person as an expert is included in this Securities Note.

4. DESCRIPTION OF THE SECURITY UNDER THE BONDS

4.1 Introduction

All defined terms in this Section 4 shall have the meaning prescribed to such terms in the Bond Terms attached to this Securities Note as Appendix 1, unless otherwise stated.

The Transaction Security (as described below) has been granted by the Issuer and certain direct and indirect Subsidiaries of the Issuer (the Guarantors), as security for all present and future obligations and liabilities of the Issuer under the Finance Documents, the RCF Finance Documents and the Hedge Finance Documents (the "**Secured Obligations**"), which include the Issuer's obligations related to the Bonds.

The Transaction Security and the Guarantee are the arrangement intended to ensure that any obligation material to the Bond Issue will be duly serviced, such as the obligations to repay the Bonds and/or the payment of interest are fulfilled. There are no other arrangements in place, such as a surety, keep well agreement, mono-line Insurance policy or other equivalent commitment.

4.2 Description of the guarantee and the Transaction Security

Each Guarantor has irrevocably and unconditionally issued a joint and several guarantee (the "**Guarantee**"), subject to any limitations set out in the guarantee agreement, attached to this Securities Note as Appendix 2, in respect of the Secured Obligations:

Date of Guarantee: 25 June 2024 as set out in the guarantee agreement attached to this Securities Note as Appendix 2.

Beneficiary: Nordic Trustee AS as security agent on behalf of the Secured Parties.

Secured Obligations: All present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any of the Secured Parties under the Finance Documents, the RCF Finance Documents and the Hedge Finance Documents, both actual and contingent.

Guarantee and payments and demands: Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Secured Party the punctual performance of all the Secured Obligations by any member of the Group and by each Debtor to any Secured Party under the Debt Documents;
- (b) undertakes with each Secured Party that whenever any member of the Group or any Debtor does not pay to any Secured Party any amount when due under or in connection with any Debt Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of any member of the Group or any Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it to any Secured Party under any Debt Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of a guarantee.

Limitations included in the Guarantee: Notwithstanding any other provisions in the Guarantee Agreement, the guarantee created by the Guarantee Agreement is subject to limitations set out in Clause 2.3 ("Limitations"), and/or included in the relevant accession letter entered into by each Guarantor acceding to the Guarantee Agreement.

Governing law: Norwegian law.

Waiver of Defences: The obligations of each Guarantor under this Agreement will not be affected by an act, omission, matter or thing which would reduce, release or prejudice

any of its obligations under this Agreement (without limitation and whether or not known to it or any Secured Party) including:

- (i) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (ii) the resignation or release of any Guarantor, or the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
- (v) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Debt Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in or the addition of any new facility or other financing under any Debt Document or other document or security;
- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security; or
- (vii) any insolvency or similar proceedings.

Each Guarantor irrevocably waives any right that it would otherwise have to be notified of:

- (i) any security the giving of which was a precondition for the making of any utilisation under any of the Debt Documents, but which has not been validly granted or has lapsed;
- (ii) any default, event of default or acceleration event (however described) under any of the Debt Documents and to be kept informed thereof;
- (iii) any deferral, postponement or other forms of extensions granted to a Debtor or any other member of the Group in respect of any repayments, prepayments or payment to be made under any of the Debt Documents; and
- (iv) a Debtor's or any other person's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter.

Each Guarantor hereby irrevocably waives all its rights under the provisions and principles expressed in the Norwegian Financial Agreements Act of 18

	December 2020 no. 146, including (without limitation) the rights set out in Sections 6-1 through 6-14 of that act.
Continuing guarantee:	The guarantee created under this Agreement is a continuing guarantee and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.
Primary Creditors:	The RCF Creditors, the Hedge Counterparties and the Bond Trustee (on behalf of the Bondholders).
Secured Parties:	The Security Agent and each of the Primary Creditors.
Security Agent:	Nordic Trustee AS as Security Agent on behalf of the Secured Parties.

Pursuant to the Bond Terms, as Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall, subject to the Intercreditor Agreement and the Agreed Security Principles, procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in Clause 6 (Conditions for Disbursement):

Pre-Settlement Transaction Security

- (i) the Escrow Account Pledge;

Pre-Disbursement Transaction Security

- (ii) pledges over all the shares issued by Kongsberg Automotive Holding 2 AS and Kongsberg Automotive AS;
- (iii) assignments over any Intercompany Loans granted by the Issuer;
- (iv) the Guarantees from Kongsberg Automotive Holding 2 AS and Kongsberg Automotive AS;

Post-Disbursement Transaction Security

- (v) Guarantees from each Guarantor, to the extent not already been provided as Pre-Disbursement Transaction Security;
- (vi) pledges over all the shares issued by any Eligible Entity to the extent not already provided as Pre-Disbursement Transaction Security; and
- (vii) assignments of any Intercompany Loans.

For more information regarding the Transaction Security, please see Clause 2.5 (Transaction Security) in the Bond Terms.

5. ADDITIONAL INFORMATION

5.1 Advisors

Advokatfirmaet Wiersholm AS (Dokkveien 1, 0250 Oslo, Norway) is acting as Norwegian legal counsel to the Issuer and assisted with the preparation of this Securities Note.

ABG Sundal Collier ASA and Danske Bank, Norwegian branch, have acted as Global Coordinators and Joint Bookrunners.

The Bond Terms and the Guarantee Agreement are available at www.kongsbergautomotive.com.

6. DEFINITIONS AND GLOSSARY

In the Securities Note, the following defined terms have the following meanings:

Bonds.....	The bonds issued in Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028 with ISIN NO0013260943.
Bond Terms	The bond agreement dated 20 June 2024.
Bond Issue.....	The bonds issued in Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028 with ISIN NO0013260943.
EU Prospectus Regulation.....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
EUR	Euro, being the single European currency.
Group.....	The Issuer and its Subsidiaries as at the date of this Securities Note.
Guarantors.....	Means the guarantors from time to time under the Bond Terms.
ISIN	International Securities Identification Number.
Issuer	Kongsberg Automotive ASA.
LEI.....	Legal Entity Identifier.
Listing.....	The admission to listing and trading of the Bonds on Oslo Børs.
MAR or Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
NFSA	The Norwegian Financial Supervisory (Nw. <i>Finanstilsynet</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75, as amended.
NRBE.....	The Norwegian Register of Business Enterprises.
Oslo Børs.....	Oslo Børs, part of the Euronext Group and a regulated market operated by Oslo Børs ASA.
Prospectus.....	The Registration Document and Securities Note together.
Registration Document	The Issuer's registration document dated 13 December 2024.
Securities Note	This document dated 13 December 2024.
Subsidiaries	A company over which another company has as a result of an agreement or through the ownership of shares or interest in another person (directly or indirectly): (i) a majority of the voting rights in that other person or (ii) a right to elect or remove a majority of the members of the board of directors of that other person.
Trustee.....	Nordic Trustee AS, a Norwegian private limited liability company with company registration number 963 342 624.

APPENDIX 1: BOND TERMS

BOND TERMS

FOR

**Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds
2024/2028**

ISIN NO0013260943

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

ATTACHMENT 3 AGREED SECURITY PRINCIPLES

BOND TERMS between	
ISSUER:	Kongsberg Automotive ASA, a company existing under the laws of Norway with registration number 942 593 821 and LEI-code 5967007LIEEXZXJDCG21 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	20 June 2024
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Accounting Standard**” means IFRS.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

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

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“**Agreed Security Principles**” means the principles set out in Attachment 3 hereto.

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

“**ARS Facility**” means the receivables sales and servicing agreement originally dated 25 September 2020 (as amended from time to time), between, amongst others, Kongsberg Automotive Finance B.V. as Issuer, Norddeutsche Landesbank Girozentrale in various capacities and the other parties named therein as Originators, Sellers and Sub-Servicers (each as defined therein), and any refinancing thereof.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Currency**” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

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

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

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

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

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and which is a TARGET Day.

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

“**Call Option**” has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Cash and Cash Equivalents**” means on any date, the aggregate equivalent in EUR on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with a reputable bank;

- (b) time deposits with reputable banks and certificates of deposit issued, and bills of exchange accepted, by a reputable bank; and
- (c) all “cash equivalents” as defined under the Accounting Standard as reported in the Financial Reports,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any security (other than in favour of the Secured Parties).

“**Change of Control Event**” means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.

“**Closing Procedure**” means a closing procedure for the release of funds from the Bonds or the Escrow Account, in each case agreed between the Bond Trustee (in consultation with its advisors, the RCF Creditors and the Hedge Counterparties (if any)) and the Issuer, and, if applicable, existing creditors of the Group.

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

“**Consolidated Net Income**” means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, net income (excluding extraordinary items), all as determined in accordance with the Accounting Standard, provided that:

- (a) net income shall be calculated without giving effect to the cumulative effect of a change in accounting principles;
- (b) net income of any person that is accounted for by the equity method of accounting will be included, but only to the extent of the amount of dividends or distributions paid in cash during the calculation period to the Issuer or any Subsidiary thereof; and
- (c) net losses of any person that is accounted for by the equity method of accounting will be included, but only to the extent of the value of any contributions to capital (in cash or in the form of other assets) made to such person by the Issuer or a Subsidiary thereof.

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

“**De-Listing Event**” means if the ordinary Shares of the Issuer are delisted from the Oslo Stock Exchange.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

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

“**Distribution**” means any:

- (a) payment of dividend on shares including preferred shares;
- (b) repurchase of own shares (save for share repurchases for employee share program);
- (c) redemption of share capital or other restricted equity with repayment to shareholders; or
- (d) any other similar distribution or transfers of value to the direct and indirect shareholders of the relevant entity or the affiliates of such direct and indirect shareholders.

“**EBITDA**” means, for any Relevant Period and on a consolidated basis for the Group, earnings before:

- (a) any interest, discounts or other fees incurred or payable in respect of Financial Indebtedness;
- (b) any provision on account of taxation;
- (c) exceptional, one-off, restructuring, non-recurring or extraordinary items of maximum 15.00 per cent. of EBITDA in aggregate;
- (d) any amount attributable to non-cash impairment expenses or depreciation or amortisation of tangible assets, right-to-use assets or intangible assets;
- (e) any unrealised exchange gains or losses;
- (f) acquisition costs;
- (g) charges or expenses arising from grant of stock appreciation or similar rights, stock options, restricted stock or other rights, retention charges (including charges or expenses in respect of incentive plans); and
- (h) any other non-cash expenses.

“**Eligible Entity**” means any Material Group Company, other than a Material Group Company which is incorporated in the Republic of India, the People's Republic of China, Brazil or Mexico.

“**Escrow Account**” means an account in the name of the Issuer, blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

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

“Exchange” means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

“Existing Bond Debt” means the EUR 154,000,000 senior secured bond issue issued by Kongsberg Actuation Systems B.V. in July 2018 with ISIN XS1843461689.

“Existing RCF” means the super senior revolving facility agreement dated 23 July 2018 between, amongst others, KA Group AG as Company, Danske Bank A/S and J.P. Morgan Securities plc as Mandate Lead Arrangers, Danske Bank A/S as Agent and The Law Debenture Trust Corporation p.l.c. as Security Agent (each as defined therein) in an original amount of EUR 50,000,000.

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

“Financial Covenant” has the meaning ascribed to such term in Clause 13.17 (*Financial covenants*).

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

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

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

“First Call Date” means the Interest Payment Date falling in June 2026.

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

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

“Guarantee” means the unconditional and irrevocable Norwegian law guarantee and indemnity (Norwegian: “*selvskyldnerkausjon*”) issued by each of the Guarantors in respect of the Secured Obligations.

“Guarantor” means each Material Group Company from time to time which is an Eligible Entity, at the Issue Date being:

- (a) Kongsberg Automotive Holding 2 AS;
- (b) Kongsberg Automotive AS;
- (c) Kongsberg Actuation Systems B.V.;
- (d) KA Group AG;
- (e) Kongsberg Driveline Systems I, LLC;
- (f) Kongsberg Actuation Systems II, LLC.;

- (g) Kongsberg Holding III, Inc.;
- (h) Kongsberg Automotive Inc.;
- (i) Kongsberg Power Products Systems I, LLC;
- (j) Kongsberg Automotive Sp. z.o.o.;
- (k) Kongsberg Power Products Systems AB; and
- (l) Kongsberg Actuation Systems Ltd.

“Hedge Counterparties” means any financial institutions that are counterparties to a Group Company under any Permitted Hedging.

“Hedge Finance Documents” means any document evidencing the terms of any Permitted Hedging.

“IFRS” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“Incurrence Test” has the meaning ascribed to such term in Clause 13.19 (*Incurrence Test*).

“Intercompany Loan” means any loan or credit made by the Issuer or any Eligible Entity to any Guarantor where (a) the loan or credit is or is scheduled to be outstanding for at least 12 months and (b) the principal amount thereof, or together with any other such loans or credits between such parties, is at least EUR 5,000,000 (or the equivalent amount in another currency) and which pursuant to the Intercreditor Agreement (or a separate subordination undertaking acceptable to the Security Agent) shall be fully subordinated (but may be serviced prior to an acceleration event) to the claims under the Finance Documents, provided that no Financial Indebtedness under any cash pooling arrangement shall constitute an Intercompany Loan.

“Initial Bond Issue” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

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

“Insolvent” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Intercreditor Agreement**” means the intercreditor agreement dated on or about the date of these Bond Terms and made between, among others, the Issuer as company, Nordic Trustee AS as bond trustee and security agent, regulating the relationship between the parties in relation to, inter alia, the sharing of Transaction Security.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 24 September 2024 and the last Interest Payment Date being the Maturity Date.

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the periods between 24 March, 24 June, 24 September and 24 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Quotation Day**” means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

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

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard, such accounts to include a profit and loss account, balance sheet, cash flow statement and management report.

“**ISIN**” means International Securities Identification Number.

“**Issue Date**” means 24 June 2024.

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

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

“**Leverage Ratio**” means the ratio of Net Interest Bearing Debt to EBITDA, calculated in accordance with Clause 13.21 (*Calculations and adjustments*).

“**Liquidity**” means the aggregate of the total Cash and Cash Equivalents.

“**Listing Failure Event**” means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within 6 months following the Issue Date,
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within 6 months following the issue date for such Temporary Bonds.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a)(ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to and including the First Call Date,

where the present value shall be calculated by using a discount rate of 3.87 per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

“**Managers**” means ABG Sundal Collier ASA and Danske Bank A/S, Norwegian branch.

“**Margin**” means 5.25 per cent. per annum.

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

- (a) the Obligors' ability (taken as a whole) to perform and comply with its obligations under the Finance Documents; or
- (b) the validity or enforceability of any Finance Document.

“**Material Group Company**” means the Guarantors and any Subsidiary of the Issuer which has subsequently been designated as a Material Group Company by the Issuer pursuant to Clause 13.12 (*Nomination of Material Group Companies*).

“**Maturity Date**” means 24 June 2028, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Net Interest Bearing Debt**” means at the relevant time, the aggregate amount of all obligations of the Group Companies, determined on a consolidated basis, for or in respect of interest bearing Financial Indebtedness but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any Bonds held by the Group;
- (c) excluding any indebtedness in respect of any derivative transaction;
- (d) including, in the case of any lease contracts that are Financial Indebtedness, their capitalised value; and
- (e) deducting the aggregate amount of Cash and Cash Equivalents,

and so that no amount shall be included or excluded more than once.

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Obligor**” means the Issuer and any Guarantor.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

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

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

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

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

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

“**Permitted Distribution**” means:

- (a) any Distribution made by the Issuer at any time after the date occurring 12 months after the Issue Date, provided that:
 - (i) the Incurrence Test is satisfied if tested pro forma for the making of such Distribution; and
 - (ii) the amount of such Distribution (when aggregated with the amount of any other Distribution made by it during the same financial year) does not exceed an amount equal to 50.00 per cent. of the Group's Consolidated Net Income for the then most recent Annual Financial Statements;
- (b) any Distribution by a Group Company (other than the Issuer) to the holders of its Shares on a pro rata basis,

provided in each case of (i) that no such Distribution is permitted if an Event of Default has occurred which is continuing or occurring as a direct consequence of such Distribution.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness:

- (a) incurred by way of the Bonds or arising under any other Finance Documents;

- (b) arising under any Revolving Credit Facility and the ARS Facility, provided that the aggregate principal amount outstanding under these facilities may not at any time exceed the higher of (i) EUR 45,000,000 (or the equivalent in any other currency) and (ii) 1.00x EBITDA (with EBITDA calculated at the time of commitment);
- (c) arising under the Existing Bond Debt and the Existing RCF (until the first disbursement from the Escrow Account);
- (d) subject to compliance with the Incurrence Test, arising under any Tap Issue;
- (e) subject to compliance with the Incurrence Test, arising under any future unsecured bonds, notes or similar instruments or loans issued solely by the Issuer (with maturity date at least 6 months after the Maturity Date of the Bonds and without any Financial Support from any other Group Company);
- (f) incurred under leases of facilities, infrastructure, office space or equipment, including vehicles and computers, in the ordinary course of business;
- (g) arising under any future bid-, payment- and performance bonds, guarantees and letters of credit incurred by any Group Company in the ordinary course of business and on normal commercial terms;
- (h) incurred by any Group Company under any Permitted Hedging;
- (i) arising under any Intercompany Loans;
- (j) in the form of any loans between Group Companies that do not constitute Intercompany Loans;
- (k) incurred under any advance or deferred purchase agreement on normal commercial terms by any member of the Group from any of its trading partners in the ordinary course of its trading activities;
- (l) incurred as a result of any Group Company acquiring another entity (or operations) and which is due to such acquired entity holding indebtedness, provided that such indebtedness is repaid, or otherwise refinanced within ninety 90 days of completion of such acquisition or transfer;
- (m) any Financial Indebtedness for the purpose of refinancing the Bonds in full provided that such Financial Indebtedness is fully cash collateralised until the Bonds are repaid;
- (n) any refinancing, amendment or replacement of any of the above from time to time; and
- (o) arising under any Financial Indebtedness not permitted by the preceding paragraphs and incurred by the Group in an aggregate outstanding principal amount which does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies).

“Permitted Financial Support” means any Financial Support:

- (a) granted under the Finance Documents;

- (b) granted in respect of the Revolving Credit Facility or in respect of any Permitted Hedging, provided that such guarantee is granted in favour of the Secured Parties to the extent required by and in accordance with the terms of the Intercreditor Agreement;
- (c) granted by a Group Company to or for the benefit of any joint venture in which a Group Company holds equity interests, provided that such financial support is granted on a pro rata basis to its holding of shares in such joint venture;
- (d) granted by the Issuer or any Group Company in respect of Financial Indebtedness incurred in accordance with paragraph (c) of the definition of “Permitted Financial Indebtedness”;
- (e) permitted under paragraphs (i) or (j) of the definition of “Permitted Financial Indebtedness”;
- (f) for the benefit of third parties in the ordinary course of trading and not as a result of any default or omission; and
- (g) arising under any Financial Support not permitted by the preceding paragraphs in respect of indebtedness incurred by a Group Company in an aggregate outstanding principal amount which does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies) in aggregate for the Group.

“Permitted Hedging” means any hedging agreements for non-speculative purposes in the ordinary course of business.

“Permitted Security” means any Security:

- (a) granted under the Finance Documents;
- (b) granted in respect of the Revolving Credit Facility or in respect of any Permitted Hedging, provided that such Security is extended to, and shared between, the Secured Parties to the extent required by and pursuant to, and in accordance with, the terms of the Intercreditor Agreement;
- (c) arising by operation of law or in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (d) in the form of collateral over Cash and Cash Equivalents in respect of Permitted Hedging or as collateral for spot foreign exchange transactions;
- (e) granted in respect of the ARS Facility, over (i) trade receivables purchased under the ARS Facility and (ii) the bank accounts of Kongsberg Automotive Finance B.V.;
- (f) granted in respect of Financial Indebtedness incurred in accordance with paragraph (c) of the definition of “Permitted Financial Indebtedness”;
- (g) any netting or set-off arrangement arising in the ordinary course of banking arrangements (including, for the avoidance of doubt, consolidated cash management

arrangements) for the purposes of netting debit and credit balances between Group Companies;

- (h) in the form of any rental deposits or other Security in respect of any lease agreement in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (i) any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business;
- (j) Security over its Shares in any joint venture, partnership or similar venture (whether or not incorporated) to secure such indebtedness of that joint venture, partnership or similar venture in favour of a participant or participants therein (including any financier or supplier to that joint venture, partnership or similar venture);
- (k) any security or deposit for or in relation to any litigation or the potential outcome thereof;
- (l) created in the form of a pledge over one or more escrow accounts to which the proceeds incurred in relation to a refinancing of the Bonds are intended to be received and are subsequently received;
- (m) any Security over or affecting any asset or company acquired by a Group Company after the Issue Date if the Security was not created in contemplation of the acquisition of that asset or company, the principal amount secured has not been increased in contemplation of or since the acquisition of that asset or company by a Group Company and the Security is removed or discharged within 90 days of the date of acquisition of such asset or company; and
- (n) Security not otherwise permitted by the preceding paragraphs securing indebtedness the outstanding amount of which does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies) in aggregate for the Group.

“Post-Disbursement Transaction Security” means the Transaction Security listed in paragraph (v) through (vii) of Clause 2.5 (*Transaction Security and Guarantees*).

“Pre-Disbursement Transaction Security” means the Transaction Security listed in paragraphs (ii) through (iv) of Clause 2.5 (*Transaction Security and Guarantees*).

“Pre-Settlement Transaction Security” means the Transaction Security listed in paragraph (i) of Clause 2.5 (*Transaction Security and Guarantees*).

“Put Option” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event or a De-Listing Event.

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

“Quotation Business Day” means a day which is a TARGET Day.

“RCF Creditors” means the finance parties under and as defined in the RCF Finance Documents.

“RCF Finance Documents” means the agreement evidencing the terms of the Revolving Credit Facility and any other finance documents under and as defined in such agreement.

“Reference Rate” means EURIBOR (European Interbank Offered Rate) being:

- (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11:00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the interest rate under paragraph (a) for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the Bond Currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the Bond Currency offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

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

“Relevant Period” means each period of four financial quarters ending on a Quarter Date.

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

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Revolving Credit Facility**” means one or more credit facilities (including any working capital or overdraft facility, any guarantee, performance bond, documentary or stand-by letter of credit facility or any other facility) to be provided to the Issuer and/or any other Obligor by one or more banks.

“**Repayment Date**” means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“**Secured Obligations**” means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any of the Secured Parties under the Finance Documents, the RCF Finance Documents and the Hedge Finance Documents, both actual and contingent.

“**Secured Parties**” means the Security Agent and the Bond Trustee (on behalf of itself and the Bondholders), the RCF Creditors and the Hedge Counterparties.

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

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

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“**Shares**” means shares or other equity or ownership interests of any kind (including warrants and equity options), however classified in the relevant jurisdiction.

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

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

“**Tap Issue**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in Euro.

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

“**Temporary Bonds**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Total Assets**” means, at any time, total assets calculated in accordance with the Accounting Standard.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means collectively, any document expressed to create any Security by the relevant grantor thereof in respect of the Issuer's and the Guarantors' obligations, including but not limited to principal, interest, fees and expenses, under any of the Finance Documents and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security and Guarantees*)

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

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

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

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

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

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to EUR 160,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of EUR 110,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the “**Temporary Bonds**”). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

- (b) The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (c) The Initial Nominal Amount of each Bond is EUR 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders’ Meeting*).

2.2 Tenor of the Bonds

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

2.3 Use of proceeds

The Issuer will use the Net Proceeds from the Initial Bond Issue to repay the Existing Bond Debt in full and any remaining part thereof shall be used towards general corporate purposes of the Group.

2.4 Status of the Bonds

- (a) The Bonds shall constitute senior and unsubordinated obligations of the Issuer and will rank *pari passu* between themselves and at least *pari passu* with other creditors (except such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
- (b) The Bonds will be secured on a *pari passu* basis with the other Secured Parties in respect of the Transaction Security subject to the super senior status of each Revolving Credit Facility and any Permitted Hedging as set out in the Intercreditor Agreement.
- (c) The RCF Creditors and Hedge Counterparties will receive (i) the proceeds from any enforcement of the Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event in respect of any Transaction Security, prior to the Bondholders and the Bond Trustee, but otherwise rank *pari passu* in right of payment with the Bonds, in accordance with the waterfall provisions of the Intercreditor Agreement, subject to obligations which are mandatorily preferred by law.

2.5 Transaction Security and Guarantees

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall, subject to the Intercreditor Agreement and the Agreed Security Principles, procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in Clause 6 (*Conditions for Disbursement*):

Pre-Settlement Transaction Security

- (i) the Escrow Account Pledge;

Pre-Disbursement Transaction Security

- (ii) pledges over all the shares issued by Kongsberg Automotive Holding 2 AS and Kongsberg Automotive AS;
- (iii) assignments over any Intercompany Loans granted by the Issuer;
- (iv) the Guarantees from Kongsberg Automotive Holding 2 AS and Kongsberg Automotive AS;

Post-Disbursement Transaction Security

- (v) Guarantees from each Guarantor, to the extent not already been provided as Pre-Disbursement Transaction Security;
- (vi) pledges over all the shares issued by any Eligible Entity to the extent not already provided as Pre-Disbursement Transaction Security; and
- (vii) assignments of any Intercompany Loans.

- (b) All Transaction Security shall be established on first priority, subject to the Intercreditor Agreement and the Agreed Security Principles, liens arising by operation of law and any mandatory limitations arising under any applicable law.
- (c) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (d) The Pre-Settlement Transaction Security shall be established no later than two (2) Business Days prior to the Issue Date. The Pre-Disbursement Transaction Security shall be established prior to the relevant release from the Escrow Account or in connection with such release in accordance a Closing Procedure as described under Clause 6.1 (*Conditions precedent for disbursement to the Issuer*). The Post-Disbursement Transaction Security shall be established within 90 days following the first release of funds from the Escrow Account.
- (e) The Escrow Account Pledge shall be made in favour of the Bond Trustee (on behalf of itself and the Bondholders). The Pre-Disbursement Transaction Security and the Post-Disbursement Transaction Security (but not the Pre-Settlement Transaction Security) shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement. To the extent legally necessary, a parallel debt concept shall be applied.
- (f) The Bond Trustee will, to the extent permitted by applicable law, act as security agent on behalf of the Secured Parties in respect of the Pre-Disbursement Transaction Security, the Post-Disbursement Transaction Security and any other Security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties).
- (g) The Security Agent is irrevocably authorised to (i) release any Guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with Clauses 13.4 (*Mergers and de-mergers*) or 13.7 (*Disposals*) and (B) following an enforcement and (ii) release any Guarantee or Transaction Security provided by a Guarantor that ceases to be a Material Group Company.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

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

3.3 Bondholders' rights

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

4. ADMISSION TO LISTING

The Issuer shall:

- (a) use reasonable efforts to ensure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange within 2 months after the Issue Date;
- (b) apply for listing of the Bonds on the Oslo Stock Exchange or another Exchange as soon as reasonably practicable after the Issue Date, but in no event later than 6 months after the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full; and
- (c) apply for listing of any Temporary Bonds on an Exchange within 6 months of the issue date for such Temporary Bonds.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

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

5.2 Obligation to ensure correct registration

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

5.3 Country of issuance

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

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vi) copies of the Issuer's latest Financial Reports (if any);
 - (vii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);

- (x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xi) the Bond Trustee Fee Agreement duly executed by all parties thereto; and
 - (xii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time as described in a Closing Procedure, each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
 - (ii) unless delivered under paragraph (a) above as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions of each Obligor and any other company granting Pre-Disbursement Transaction Security required to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor and any other company granting Pre-Disbursement Transaction Security to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor or company granting Pre-Disbursement Transaction Security;
 - (C) copies of the articles of association (or equivalent constitutional document) and of a full extract from the relevant company register in respect of each Obligor and any other company granting Pre-Disbursement Transaction Security evidencing that it is validly existing;
 - (iii) a funds flow statement and other satisfactory documentation evidencing that the amount to be released shall be applied in accordance with Clause 2.3 (*Use of proceeds*);
 - (iv) the Pre-Disbursement Transaction Security duly established and executed by all parties thereto and evidence of the establishment and perfection of the Pre-Disbursement Transaction Security (together with any notices, acknowledgements, register of shareholders and other documents to be supplied in respect thereof);
 - (v) if applicable, the Intercreditor Agreement duly executed by all parties thereto;

- (vi) a copy of any loan agreement for any Intercompany Loan granted by the Issuer, existing or to be given in connection with disbursement;
 - (vii) a Group structure chart as per the Issue Date;
 - (viii) if relevant, confirmation of acceptance from any process agent;
 - (ix) any other relevant Finance Documents (unless delivered pre-settlement) in satisfactory form duly executed and perfected (as applicable);
 - (x) satisfactory documentation evidencing that Existing Bond Debt will be repaid in full, and the Security granted by any Group Company for any amount outstanding thereunder will be released and discharged, directly following the release of funds from the Escrow Account;
 - (xi) a statement from the Issuer confirming that no Event of Default has occurred and is continuing;
 - (xii) nomination by the Issuer of the Material Group Companies based on the latest Financial Reports; and
 - (xiii) copies of any other documents or evidence, including any statements or legal opinions, reasonably required by the Bond Trustee in form and substance satisfactory to the Bond Trustee.
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive or postpone the delivery of certain conditions precedents.

6.2 Disbursement of the proceeds

- (a) Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).
- (b) Notwithstanding paragraph (a) above, the amounts on the Escrow Account may be released prior to fulfilment of all the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) provided such release is made subject to a Closing Procedure. Perfection of the relevant Transaction Security shall be established as soon as possible on or after the first release of funds from the Escrow Account according to the terms of the Closing Procedure, meaning inter alia that any documents to be registered may be filed for registration subsequent to disbursement of the Net Proceeds of the Initial Bond Issue from the Escrow Account.

6.3 Tap Issues

- (a) Settlement of any Tap Issue and disbursement of the Net Proceeds to the Issuer, will be subject to the fulfilment of certain conditions precedent, to the satisfaction of the Bond Trustee, as customary for such tap issues, including (but not limited to):

- (i) a Tap Issue Addendum has been duly executed by all parties thereto;
 - (ii) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for execution of the Tap Issue Addendum and any other Finance Documents;
 - (iii) guarantee and security confirmations from each Obligor and any other security provider (if required);
 - (iv) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds;
 - (v) confirmation from the Issuer that the Incurrence Test for the Tap Issue is complied with; and
 - (vi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue addendum and any other Finance Documents (if applicable)).
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.3, waive the requirements for documentation, and the Bond Trustee may on behalf of the Bondholders agree on the Closing Procedure with the Issuer.

6.4 Conditions subsequent

- (a) The Issuer shall deliver to the Bond Trustee, not later than 90 days after the date of the first release of funds from the Escrow Account, the following documents and evidence (in form and content satisfactory to the Bond Trustee):
- (i) unless delivered as pre-settlement or pre-disbursement conditions precedent in accordance with Clause 6.1 (*Conditions precedent for disbursement to the Issuer*):
 - (A) copies of all necessary corporate resolutions of each Obligor and any other company granting Post-Disbursement Transaction Security required to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor and any other company granting Post-Disbursement Transaction Security to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor or company granting Post-Disbursement Transaction Security;
 - (C) copies of the articles of association (or equivalent constitutional document) and of a full extract from the relevant company register in respect of each

Obligor and any other company granting Post-Disbursement Transaction Security evidencing that it is validly existing;

- (ii) the Post-Disbursement Transaction Security duly established and executed by all parties thereto and evidence of the establishment and perfection of the Post-Disbursement Transaction Security (together with any notices, acknowledgements, register of shareholders and other documents to be supplied in respect thereof);
 - (iii) a copy of any loan agreement for any Intercompany Loan;
 - (iv) if relevant, confirmation of acceptance from any process agent;
 - (v) if applicable, evidence that each Eligible Entity has acceded to the Intercreditor Agreement in the relevant capacities;
 - (vi) any other relevant Finance Documents (unless delivered pre-settlement or pre-disbursement) in satisfactory form duly executed and perfected (as applicable); and
 - (vii) copies of any other documents or evidence, including any statements or legal opinions, reasonably required by the Bond Trustee in form and substance satisfactory to the Bond Trustee.
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.4, waive the requirements for documentation.

7. REPRESENTATIONS AND WARRANTIES

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

- (a) on the date of these Bond Terms;
- (b) on the Issue Date;
- (c) on each date of disbursement of proceeds from the Escrow Account;
- (d) on the date of issuance of any Additional Bonds:

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
 - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.

- (b) Each Obligor shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.

- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee on behalf of the Issuer, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

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

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or some of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in December 2026 at a price equal to 104.49 per cent. of the Nominal Amount for each redeemed Bond;
 - (iii) the Interest Payment Date in December 2026 to, but not including, the Interest Payment Date in June 2027 at a price equal to 103.37 per cent. of the Nominal Amount for each redeemed Bond;
 - (iv) the Interest Payment Date in June 2027 to, but not including, the Interest Payment Date in December 2027 at a price equal to 102.25 per cent. of the Nominal Amount for each redeemed Bond; and
 - (v) the Interest Payment Date in December 2027 to, but not including, the Maturity Date at a price equal to 101.12 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable, but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not

been satisfied or waived by that date, the call notice shall be null and void. The call notice shall specify the Call Option Repayment Date.

- (d) Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
- (e) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90.00 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer and the Group Companies may purchase and hold Bonds and such Bonds may be retained or sold, but not cancelled (other than in relation to a process of full redemption of all Outstanding Bonds) in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

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

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

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

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.17 (*Financial covenants*) as at such date.
- (b) In addition to the Compliance Certificate to be provided by the Issuer in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), the Issuer shall supply to the Bond Trustee:

- (i) upon the occurrence of any event which requires compliance with the Incurrence Test, a Compliance Certificate setting out (in reasonable detail) computations evidencing compliance with Clause 13.19 (*Incurrence Test*); and
- (ii) in respect of any event in relation to which the Issuer is required to nominate Material Group Companies, a Compliance Certificate containing the identity of each Material Group Company together with the calculations and figures for determining the Material Group Companies,

and each such Compliance Certificate shall be duly signed by the chief executive officer, the chief financial officer or another authorised signatory of the Issuer.

- (c) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

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

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and

- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

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

13.1 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply with all laws and regulations to which it may be subject from time to time except where the failure to so comply would not have a Material Adverse Effect.

13.2 Authorisations

The Issuer shall, and shall procure that each other Group Company will, obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time except where the failure to so comply would not have a Material Adverse Effect.

13.3 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

13.4 Mergers and de-mergers

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

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Obligor with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Obligor;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

13.5 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date provided that (i) any disposal of any Group Company, assets, business or business segment, which is otherwise permitted by the terms of the Bonds and (ii) any new business reasonably related to or extending that carried on at the Issue Date or otherwise entered into by the Group as part of the energy transition, shall in each case be permitted hereby.

13.6 Arm's length transactions

The Issuer shall not, and shall ensure that no other Group Company will, enter into any transaction with any Person except on arm's length terms.

13.7 Disposals

The Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of all or a substantial part of its assets or operations, unless any such

transaction is carried out at a fair market value and provided that such transaction would not have a Material Adverse Effect.

13.8 Maintain Transaction Security Documents

The Issuer shall ensure that each Obligor shall, except if released as a result of a disposal not prohibited by the terms of the Bonds, maintain the Transaction Security Documents to which it is a party in full force and effect, and do all acts which may be necessary to ensure that Security created or contemplated thereunder remains duly created, enforceable and perfected with the agreed ranking, creating the Security contemplated thereunder, at the expense of the relevant Group Company.

13.9 Subsidiary Distribution

The Issuer shall not permit any of its Subsidiaries to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders, other than creating or permitting to subsist such contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

13.10 Acquisitions

Issuer shall not, and shall procure that no other Group Company will, acquire any company, shares, securities, business or undertaking (or any interest in any of them) or make any similar investments, unless the transaction is carried out on arms' length basis and provided that it does not have a Material Adverse Effect.

13.11 Insurances

Issuer shall, and shall procure that each Group Company will, maintain customary insurances on or in relation to their business and assets with reputable independent insurance companies and underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.12 Nomination of Material Group Companies

- (a) The Issuer shall once every year (simultaneously with the delivery to the Bond Trustee of the Annual Financial Statements) and at the date of delivery of the first Interim Accounts following completion of any acquisition of any company and at the date of delivery of the first Interim Accounts following completion of any merger or de-merger of any Material Group Company in accordance with Clause 13.4 (*Merges and de-mergers*), nominate as Material Group Companies:
 - (i) each such Group Company which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has a total EBITDA or Total Assets which represent more than 10.00 per cent. of the total EBITDA or Total Assets of the Group (excluding goodwill and intra-group transfers) on a consolidated basis, based on the Relevant Period; and
 - (ii) such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies (calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any Group Company) in aggregate

account for at least 80.00 per cent. of EBITDA and of Total Assets of the Group (calculated on a consolidated basis),

in each case, when calculating EBITDA, any Group Company which generates negative EBITDA shall be disregarded and its EBITDA shall be deemed to be zero.

- (b) The Issuer shall and shall ensure that each such Material Group Company which is an Eligible Entity no later than 90 days after its nomination provide Pre-Disbursement Transaction Security in accordance with the Transaction Security Documents.
- (c) The identity of the Material Group Companies nominated by the Issuer in accordance with this Clause 13.12 shall be listed in the Compliance Certificate to be provided to the Bond Trustee in connection with the provision of the relevant Financial Reports.

13.13 Financial Indebtedness

The Issuer shall not, and shall ensure that no other Group Company shall, incur, create, maintain or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

13.14 Negative pledge

The Issuer shall not, and shall ensure that no other Group Company shall, create or permit to subsist any Security over any of its assets or enter into arrangements having a similar effect other than Permitted Security.

13.15 Financial Support

The Issuer shall not, and shall ensure that no other Group Company shall, grant any Financial Support to or for the benefit of any person, other than Permitted Financial Support.

13.16 Distributions

The Issuer shall not, and shall ensure that no other Group Company will, make any Distribution other than any Permitted Distribution.

13.17 Revolving Credit Facility

The Issuer shall procure that all cash loans under the Revolving Credit Facility shall be subject to simultaneous net clean down (net of freely available Cash and Cash Equivalents of the Group) for 3 consecutive Business Days once in every 12-month rolling period.

13.18 Financial covenants

- (a) The Issuer shall, on a consolidated basis, comply with the following financial covenants during the term of the Bonds:
 - (i) **Liquidity** of minimum EUR 10,000,000; and
 - (ii) **Leverage Ratio** of maximum 4.00:1.
- (b) The Issuer undertakes to comply with the requirements at all times, in each case with such compliance to be tested with reference to each Quarter Date (a “**Calculation Date**”).

13.19 Equity Cure

(a) If the Issuer fails (or would otherwise fail) to comply with any Financial Covenant as at any Calculation Date, and the Issuer receives cash proceeds in the form of new equity (the “**Cure Amount**”) within the date falling 30 days after the date on which the Interim Accounts are due hereunder, then such Financial Covenant shall be recalculated after giving effect to the following pro forma adjustments:

- (i) **Liquidity:** Cash and Cash Equivalents on that Calculation Date shall be increased by an amount equal to the Cure Amount; and
- (ii) **Leverage Ratio:** EBITDA on that Calculation Date shall be increased by an amount equal to the Cure Amount,

and if, after giving effect to the foregoing recalculations, the Issuer is in compliance with the requirements of all Financial Covenants, the Issuer shall be deemed to have satisfied the requirements of such Financial Covenants with reference to such Calculation Date as though there had been no failure to comply with such requirement, and the applicable breach or default of such Financial Covenants which had occurred shall be deemed to have been prevented or cured. Any Cure Amount shall be included in the EBITDA calculation for the subsequent three quarterly reporting periods. The Issuer shall, within 30 days after the date on which the Interim Accounts are due hereunder, deliver a Compliance Certificate evidencing the recalculations.

(b) The Issuer shall be limited to a maximum of two financial covenant cures during the term of the Bonds and no consecutive financial covenant cures are permitted.

13.20 Incurrence Test

The Incurrence Test is met if:

- (a) the Leverage Ratio is less than:
 - (i) 2.50:1 upon the incurrence of any Financial Indebtedness (which is subject to compliance with the Incurrence Test); or
 - (ii) 1.50:1 in respect of any Distributions; and
- (b) no Event of Default is continuing or would result from the event for which the Incurrence Test is applied.

13.21 Calculations and adjustments

- (a) The requirements forming part of the Incurrence Test shall be:
 - (i) calculated at a testing date determined by the Issuer falling no earlier than 30 days prior to the event in respect of which the Incurrence Test shall be made; and
 - (ii) unless otherwise set out below:
 - (A) tested with reference to the latest available Financial Report(s) and any compliance certificate(s) relating thereto; and

- (B) calculated in accordance with the Accounting Standard, accounting practices and financial reference periods consistent with those applied in its previous Financial Reports published (or delivered) pursuant to the terms hereof.
- (b) For the purpose of calculating the requirements forming part of any Incurrence Test or calculation of the Leverage Ratio:
 - (i) the Net Interest Bearing Debt shall be calculated as at the relevant testing date with the following adjustments:
 - (A) the full amount of the Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt for the purpose of calculating the Leverage Ratio; and
 - (B) any cash balance resulting from the incurrence of the Financial Indebtedness shall not reduce the Net Interest Bearing Debt; and
 - (ii) EBITDA shall be calculated on a four quarter rolling basis by reference to the amount of EBITDA derived from the relevant Financial Report(s) for the relevant four quarter period (and in any compliance certificate(s) relating thereto) with the following adjustments (where no amount shall be included or excluded more than once):
 - (A) any asset, company, business or undertaking acquired or disposed of by the Group during such period, or after the end of that period but on or before the relevant testing date, shall be included or excluded (as applicable) pro forma for the entire period; and
 - (B) any asset, company, business or undertaking to be acquired with the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall be included, pro forma, for the entire period.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

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

(a) *Non-payment*

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

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

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

(b) *Breach of other obligations*

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

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or any Material Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default and cross acceleration*

If for the Issuer or any Material Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of non-payment of Financial Indebtedness, insolvency, insolvency proceedings or creditor's process (however described) (but, for the avoidance of doubt, not as a result of any other defaults (including breach of any maintenance financial covenants)),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 5,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer or any Material Group Company:

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

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

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any Material Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default and cross acceleration*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

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

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

14.2 Acceleration of the Bonds

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

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

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

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

14.4 Calculation of claim

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

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

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the

Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.

- (e) At least 50.00 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

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

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.

- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

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

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a

Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to

implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

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

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the

Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

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

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS**18.1 Limitation of claims**

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

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and

- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

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

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

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

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

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

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and

- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

**Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028 – ISIN
NO0013260943**

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

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

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

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.17 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

[With reference to Clause 13.12 (*Nomination of Material Group Companies*) the following Group Companies are nominated as Material Group Companies: [●]]

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

Yours faithfully,

Kongsberg Automotive ASA

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

**ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**Kongsberg Automotive ASA FRN senior secured EUR 160,000,000 bonds 2024/2028 – ISIN
NO0013260943**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

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

We hereby give you notice that we on [date] wish to draw [the amount specified in Enclosure I (*Flow of Funds*)]/[all amounts] from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

Kongsberg Automotive ASA

Name of authorised person

Enclosure I: Flow of Funds

ATTACHMENT 3 AGREED SECURITY PRINCIPLES


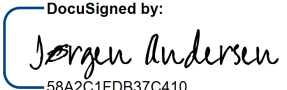
The granting of the transaction Security (including guarantees) as contemplated under the Bond Terms and the Intercreditor Agreement is subject to, inter alia, the following security principles:

- (a) where legally permissible, all Transaction Security and any Guarantee shall be created in favour of the Security Agent and not the other Secured Parties individually. Parallel debt provisions shall be used where legally necessary;
- (b) to the extent legally permissible, Transaction Security will be first ranking unless any prior ranking Security is permitted by all the relevant Debt Documents;
- (c) where legally permissible, Transaction Security Documents shall automatically create Security over future assets of the same type as those already subject to Transaction Security thereunder, and if such Security may not be automatically created, Transaction Security over such future assets shall be created promptly upon the acquisition of such assets;
- (d) any requirement for any deliverable by any person not being a Group Company shall be considered complied with if the relevant Group Company has used reasonable endeavours to obtain such deliverable;
- (e) general statutory limitations (including, but not limited to, such relating to financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, capital maintenance, retention of title claims and similar principles) may limit the ability of a Debtor to provide any Security or Guarantee without inclusion of provisions limiting the responsibility for granting full legal valid and perfected security or require that such security is limited by an amount or otherwise;
- (f) the granting of Transaction Security and the extent of its perfection and scope shall take into account the costs and expenses (including, without limitation, any stamp duty, taxes, registration fees or similar), work and time of providing such Security which must be proportionate to the benefit accruing to the Secured Parties with respect to such Security, including, without limitation, that no Transaction Security shall be provided or perfected where any fee calculated as a percentage or share of the Secured Obligations will be payable as a result thereof (unless de minimis);
- (g) the Debtors will not be required to provide Transaction Security or any Guarantee if it would conflict with the fiduciary duties of their directors or officers or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any director or officer, provided that the relevant Debtor shall use reasonable endeavours to overcome any such obstacle and relevant limitation language may be included in the relevant Transaction Security Document;
- (h) the Debtors will not be required to provide Transaction Security in respect of assets which are subject to third party arrangement which prevent those assets from being charged, provided that the relevant entity shall use its commercially reasonable endeavours to obtain consent to charging such assets;
- (i) Transaction Security Documents shall operate to create Security rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations

or undertakings (including, for the avoidance of doubt, reporting requirements) to those contained in the relevant Debt Documents unless required for the creation, perfection, preservation or enforcement of the Transaction Security and shall not be unduly burdensome on the Debtors or interfere unreasonably with the operation of their business or operations;

- (j) the granting and perfection of Transaction Security shall operate as a security interest only and, absent exercise by the Security Agent of any of its rights following the occurrence of an Event of Default which is continuing, shall not relieve the relevant Obligor of its control or disposition rights over that asset. Any Transaction Security shall only be granted and perfected to the extent legally possible without depriving the relevant Obligor of the control or ownership rights to the relevant asset.

SIGNATURES:

<p>The Issuer:</p> <p>Kongsberg Automotive ASA</p> <p>DocuSigned by: 7485730298264C6.....</p> <p>By: Jon Gerhard Munthe</p> <p>Position: Authorised signatory</p>	<p>As Bond Trustee and Security Agent:</p> <p>Nordic Trustee AS</p> <p>DocuSigned by: 58A2C1FDB37C410.....</p> <p>By: Jørgen Andersen</p> <p>Position: p.p</p>
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APPENDIX 2: GUARANTEE AGREEMENT

GUARANTEE AGREEMENT

dated 25 June 2024

between

KONGSBERG AUTOMOTIVE ASA

as Company

THE ENTITIES

listed in Schedule 1 (*The Original Guarantors*)

as Original Guarantors

and

NORDIC TRUSTEE AS

as Security Agent

WIKBORG | REIN

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THIS AGREEMENT (the "**Agreement**") is dated 25 June 2024 and made between:

- (1) **KONGSBERG AUTOMOTIVE ASA**, a company incorporated under the laws of Norway with company registration number 942 593 821 (the "**Company**");
- (2) **THE ENTITIES** listed in Schedule 1 (*The Original Guarantors*) as original guarantors (the "**Original Guarantors**"); and
- (3) **NORDIC TRUSTEE AS** as security agent for the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1 DEFINITIONS, INTERPRETATION AND MISCELLANEOUS

1.1 Definitions

In this Agreement capitalised terms shall (unless otherwise set out herein or required by the context) have the meaning ascribed to them in the Intercreditor Agreement (as defined below), and:

"**Accession Letter**" means a letter substantially in the form set out in Schedule 2 (*Form of Accession Letter*).

"**Additional Guarantor**" means a member of the Group which becomes a Guarantor in accordance with Clause 9.1 (*Additional Guarantors*).

"**Companies Act**" means the Norwegian Companies Act of 13 June 1997 no. 44.

"**Final Discharge Date**" means the first date on which all the Secured Obligations have been fully and finally discharged to the satisfaction of the Security Agent, whether or not as the result of an enforcement, and none of the Secured Parties are under any further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

"**Guarantor**" means an Original Guarantor or an Additional Guarantor.

"**Intercreditor Agreement**" means the intercreditor agreement dated 25 June 2024 entered into between, among others, the Original Guarantors and the Security Agent.

"**Resignation Letter**" means a letter substantially in the form set out in **Schedule 3** (*Form of Resignation Letter*).

"**Secured Obligations**" has the meaning given to that term in the Intercreditor Agreement.

"**Security Period**" means the period from and including the date of this Agreement to and including the Final Discharge Date.

"**Swiss Federal Tax Administration**" means the Swiss federal tax administration (*Eidgenössische Steuerverwaltung*), with address Eigerstrasse 65, 3003 Bern, Switzerland or any other tax authority referred to in article 34 of the Swiss Withholding Tax Act.

"**Swiss Withholding Tax**" means any withholding tax levied in accordance with the Swiss Federal Withholding Tax Act (*Bundesgesetz über die Verrechnungssteuer*), as amended from time to time.

"**Swiss Withholding Tax Act**" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*), together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time.

1.2 Construction

Clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments).

1.3 Miscellaneous

The Guarantors have been informed of the other security and guarantees granted in connection with the Debt Documents.

2 GUARANTEE AND INDEMNITY

2.1 Type of guarantee

The guarantee created by this Agreement constitutes a *selvskyldnergaranti*.

2.2 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Secured Party the punctual performance of all the Secured Obligations by any member of the Group and by each Debtor to any Secured Party under the Debt Documents;
- (b) undertakes with each Secured Party that whenever any member of the Group or any Debtor does not pay to any Secured Party any amount when due under or in connection with any Debt Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of any member of the Group or any Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it to any Secured Party under any Debt Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of a guarantee.

2.3 Limitations

Notwithstanding any other provision in this Agreement, the guarantee created by this Agreement:

- (a) with respect to any Guarantor incorporated in Norway, does not apply to any obligation or liability to the extent it would result in such guarantee constituting unlawful financial assistance within the meaning of Sections 8-7 or 8-10 of the Companies Act. For the avoidance of doubt, such guarantee shall apply to any liability or obligation to the fullest extent permitted by those provisions of the Companies Act;
- (b) with respect to any Guarantor incorporated in Switzerland (each, a "**Swiss Guarantor**"), is subject to the following limitations:
 - (i) If and to the extent that such guarantee granted or other obligations assumed by a Swiss Guarantor under or in connection with this Agreement guarantees or otherwise relates to obligations of any of its Affiliates which are not its wholly-owned Subsidiaries and if and to the extent payments under such guarantee, warranty, indemnity or any other financial obligation to discharge such obligations would constitute a repayment of capital (*Einlagenrückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) by such Swiss Guarantor or would otherwise be restricted under then applicable mandatory Swiss law ("**Restricted Obligations**"), the payments under the such guarantee, warranty, or indemnity to be used to discharge the Restricted Obligations shall be limited to the maximum amount of the Swiss Guarantor's freely distributable reserves at the time of enforcement ("**Maximum Amount**"); provided that such limitation is required under then applicable mandatory Swiss law; provided, further, that such limitation shall not (generally or definitively) free the Swiss Guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. The Maximum Amount shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required, shall be confirmed by the auditors of such Swiss Guarantor on the basis of an interim audited balance sheet as of that time.
 - (ii) If and to the extent any Swiss Withholding Tax is levied by applicable law and subject to any applicable double tax treaties in force at the relevant time on payments made by a Swiss Guarantor in respect of the Restricted Obligations, the relevant Swiss Guarantor shall:
 - (A) use its reasonable best efforts to make such payments without deduction of Swiss Withholding Tax or to reduce the rate of Swiss Withholding Tax by discharging the liability to such tax by notification pursuant to applicable law (including double tax treaties) rather than payment of the tax;
 - (B) if the notification procedure pursuant to sub-paragraph A. above does not apply, deduct Swiss Withholding Tax at the rate of 35% (or such other rate as in force at that time), or if the notification procedure pursuant to sub-paragraph A. above applies for a part of the Swiss Withholding Tax only, deduct Swiss Withholding Tax at the reduced rate resulting after the discharge of part of such tax by notification under applicable law, from any payment made by it in respect of Restricted Obligations and promptly pay any such taxes to the Swiss Federal Tax Administration;
 - (C) notify the Security Agent that such notification, or as the case may be, deduction has been made and provide the Security Agent with evidence of

such notification or payment of the deducted tax to the Swiss Federal Tax Administration, as applicable;

- (D) if and to the extent such a deduction is made, not be obliged to either gross-up payments or indemnify the Secured Parties in relation to any such payment made by it in respect of Restricted Obligations unless grossing-up or indemnifying is permitted under the laws of Switzerland then in force but always subject to the limitations set out in paragraph (i) above and (iv) below; and
 - (E) use its reasonable best efforts to ensure that any person which is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such payment or enforcement proceeds, will, as soon as possible after the deduction of the Swiss Withholding Tax,
 - request a refund of the Swiss Withholding Tax under applicable law (including double tax treaties); and
 - pay to the Security Agent on behalf of the Secured Parties upon receipt any amount so refunded for application as a further payment of such Swiss Guarantor with respect to Restricted Obligations. The Security Agent shall reasonably cooperate with the Swiss Guarantor to secure such refund.
- (iii) If performance of Restricted Obligations would be limited due to the effects referred to in paragraph (i) above, the relevant Swiss Guarantor shall promptly implement all such measures and/or procure the fulfilment of all prerequisites to allow it to perform its obligations with a minimum of limitations, including the following:
- (A) preparation of an up-to-date audited balance sheet of the Swiss Guarantor;
 - (B) confirmation from the auditors of the Swiss Guarantor that the relevant amount represents (the maximum of) its freely distributable reserves;
 - (C) revaluation of hidden reserves (to the extent permitted by mandatory Swiss law and applicable accounting standards);
 - (D) to the extent permitted by applicable law and applicable accounting standards, (x) write-up or realise any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realisation, however, only if such assets are not necessary for the Guarantor's business (*nicht betriebsnotwendig*) and/or (y) reduce its share capital to the minimum allowed under then applicable law; and
 - (E) approval by the shareholders of the Swiss Guarantor of the (resulting) profit distribution ; and
- (c) with respect to any Guarantor incorporated in any other jurisdiction, is subject to any limitations set out in the Accession Letter applicable to such Additional Guarantor.

3 REPRESENTATIONS AND WARRANTIES

3.1 Original Guarantors

Each Original Guarantor makes the following representations and warranties on the date of this Agreement:

- (a) it is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted;
- (b) the entry into and performance by it of this Agreement and the transactions contemplated hereby, do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or any of its assets;
- (c) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated hereby; and
- (d) subject to matters which are usually set out as qualifications or reservations as to matters of law of general application in legal opinions, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

3.2 Additional Guarantors

The representations and warranties set out in this Clause 3 are deemed to be made by each Additional Guarantor on the date on which it becomes an Additional Guarantor.

4 UNDERTAKINGS

No Guarantor shall do (except as permitted by the Credit Facility Agreement or the Senior Secured Bond Terms), cause or permit to be done anything which will, or could reasonably be expected to, have a material adverse effect on the rights of the Secured Parties under this Agreement.

5 PAYMENTS AND DEMANDS

5.1 Payment on demand

- (a) Each Guarantor irrevocably and unconditionally undertakes with each Secured Party to pay any amount payable by it under this Agreement immediately on demand by the Security Agent.
- (b) Each such payment shall be made by such Guarantor to such account as the Security Agent may, on behalf of the relevant Secured Party, from time to time notify in writing.

5.2 Tax gross-up

- (a) Each Guarantor shall make all payments under this Agreement without any deduction or withholding for or on account of tax, unless such deduction or withholding is required by law.
- (b) Subject to paragraph (b) of Clause 2.3 above, if a Guarantor is required by law to make any such deduction or withholding:
 - (i) the amount of the payment due from it shall be increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required; and
 - (ii) at the request of the Security Agent, deliver to the Security Agent evidence that the required deduction or withholding has been made.

5.3 Set-off and counterclaims

- (a) All payments to be made by a Guarantor under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (b) A Secured Party may set off any matured obligation due from a Guarantor under this Agreement (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

5.4 Default interests

- (a) If a Guarantor fails to pay any amount under this Agreement on its due date, default interest shall accrue on such overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is equal to the sum of (i) the rate of interest which at the time applies to the Secured Obligations in respect of which the relevant demand under this Agreement was made (which, for the avoidance doubt, shall not include the rate of any default interest which applies to those Secured Obligations) and (ii) 3.00 per cent. per annum.
- (b) Any default interest accruing under this Clause 5.4 shall be immediately payable by such Guarantor on demand.

5.5 Application of proceeds

Any amount received or recovered from a Guarantor under or in respect of this Agreement shall be applied in accordance with the provisions of the Intercreditor Agreement.

5.6 Further assurance and power of attorney

- (a) Each Guarantor shall promptly do all such acts and execute all such documents (including, without limitation, any transfer documents, notices or instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may

reasonably require) to facilitate the realisation and/or enforcement of the guarantee and indemnity created by this Agreement.

- (b) Each Guarantor irrevocably appoints the Security Agent as its attorney in fact, with full power of substitution, to do any act which any Guarantor is obliged to do, but has failed to do, under or in connection with this Agreement (including, without limitation, to sign any transfer documents, notices or instructions on such Guarantor's behalf).

6 DEFERRAL OF GUARANTORS' RIGHTS

- (a) During the Security Period, no Guarantor shall, without the prior written consent of the Security Agent, exercise any rights which it may have by reason of performance by it of any of its obligations under this Agreement or any of the other Debt Documents:
 - (i) to be indemnified by any other Debtor;
 - (ii) to claim any contribution from any other security provider and/or guarantor of any of the Secured Obligations;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of the Secured Obligations;
 - (v) to exercise any right of set-off against any other Debtor; and/or
 - (vi) to claim or prove as a creditor of any Debtor in competition with any Secured Party.
- (b) If a Guarantor receives any payment or distribution in relation to the rights described in paragraph (a) above, it shall, to the extent necessary to enable all of the Secured Obligations to be repaid in full, hold that payment or distribution separated from its other assets and promptly pay or transfer the same to the Security Agent for application in accordance with the terms of this Agreement.
- (c) This Clause 6 shall be supplemental and without prejudice to, and shall not limit, the provisions set out in the Intercreditor Agreement.

7 LIMITATION ON LIABILITY

- (a) Neither the Security Agent nor any other Secured Party shall be liable for any loss, liability or expense arising from or in connection with:
 - (i) any of them exercising any of its rights or powers under or in connection with this Agreement;
 - (ii) any act, default, omission or misconduct on the part of any delegate or representative on behalf of any of them; or

- (iii) the timing of the exercise of any of their (or any of its delegates or representatives) powers or rights under or in connection with this Agreement,

except, in case of paragraphs (a)(ii) and (iii) above, in the case of gross negligence or wilful misconduct.

- (b) In no case shall the Security Agent or any Secured Party be liable or held responsible for any indirect damage, consequential loss or loss of profit.

8 CONTINUING GUARANTEE AND OTHER MATTERS

8.1 Continuing guarantee

The guarantee created under this Agreement is a continuing guarantee and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

8.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Agreement will continue or be reinstated as if the discharge, release or arrangement had not occurred.

8.3 Waiver of defences and confirmations

- (a) The obligations of each Guarantor under this Agreement will not be affected by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under this Agreement (without limitation and whether or not known to it or any Secured Party) including:
 - (i) any time, waiver or consent granted to, or composition with, any Debtor or other person;
 - (ii) the resignation or release of any Guarantor, or the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
 - (v) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Debt Document or any other document or security including, without limitation, any

- change in the purpose of, any extension of or increase in or the addition of any new facility or other financing under any Debt Document or other document or security;
- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security; or
 - (vii) any insolvency or similar proceedings.
- (b) Each Guarantor irrevocably waives any right that it would otherwise have to be notified of:
- (i) any security the giving of which was a precondition for the making of any utilisation under any of the Debt Documents, but which has not been validly granted or has lapsed;
 - (ii) any default, event of default or acceleration event (however described) under any of the Debt Documents and to be kept informed thereof;
 - (iii) any deferral, postponement or other forms of extensions granted to a Debtor or any other member of the Group in respect of any repayments, prepayments or payment to be made under any of the Debt Documents; and
 - (iv) a Debtor's or any other person's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter.
- (c) Each Guarantor hereby irrevocably waives all its rights under the [provisions and] principles expressed in the Norwegian Financial Agreements Act of 18 December 2020 no. 146, including (without limitation) the rights set out in Sections 6-1 through 6-14 of that act.

8.4 Guarantor intent

Without prejudice to the generality of Clause 8.3 (*Waiver of defences and confirmations*), each Guarantor expressly confirms that it intends that the guarantee created under this Agreement shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Debt Documents and/or any facility, other financing or amount made available under any of the Debt Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; incurring new secured and guaranteed debt in accordance with the terms of the Debt Documents; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities or other financing; refinancing any other indebtedness; making facilities or other financing available to new borrowers; any other variation or extension of the purposes for which any such facility, financing or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

8.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party (or any trustee or agent on its behalf), to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Agreement. This waiver applies irrespective of any law or any provision of a Debt Document to the contrary.

8.6 Additional security

The guarantee created under this Agreement shall be in addition to, and not prejudice or affect, any other security or guarantee granted in respect of the Secured Obligations.

8.7 Appropriations

During the Security Period, the Security Agent and each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by or on behalf of that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Agreement.

9 CHANGES TO THE GUARANTORS

9.1 Additional Guarantors

- (a) Subject to the terms of the Intercreditor Agreement and the other Debt Documents, the Company may request that any member of the Group becomes an Additional Guarantor.
- (b) With effect from the date the Security Agent confirms to the Company that the Security Agent has received (in form and substance satisfactory to it) (i) an Accession Letter duly completed and executed by such member of the Group and the Company and (ii) such other documents and evidence as the Security Agent may reasonably request in connection therewith, that member of the Group shall become an Additional Guarantor.

9.2 Resignation of a Guarantor

- (a) Subject to the terms of the Intercreditor Agreement and the other Debt Documents, the Company may request that a Guarantor (other than and] the Company) ceases to be a Guarantor by delivering to the Security Agent a Resignation Letter duly completed and executed by such Guarantor and the Company.
- (b) The Security Agent shall accept a Resignation Letter and notify the Company of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case);
 - (ii) no payment is due from the Guarantor under this Agreement or (in its capacity as any type of Debtor) under any other Debt Document (and the Company has confirmed this is the case); and

- (iii) the Security Agent has received (in form and substance satisfactory to it) such other documents and evidence as the Security Agent may reasonably request in connection therewith.

10 MISCELLANEOUS

10.1 Notices

The provisions of clause 23 (*Notices*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments). Any contact details of any party not set out in or provided pursuant to the Intercreditor Agreement shall be those set out on the signature page(s) of this Agreement or any Accession Letter executed by that party (or any substitute contact details provided in writing by that party to the Security Agent).

10.2 Assignment and transfer

- (a) No Guarantor may assign or transfer any of its rights or obligations under this Agreement.
- (b) The Security Agent may assign and/or transfer any of its rights or obligations under this Agreement to any person without the consent of any Guarantor. Each Guarantor shall, promptly upon request by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

10.3 Partial invalidity

If any provision of this Agreement is for any reason held invalid, illegal or unenforceable in any respect, such illegality, invalidity or unenforceability will not affect any other provision of this Agreement.

10.4 Remedies and waivers

No failure or delay by the Security Agent in exercising any right, power or remedy vested in it under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.5 Rights of the Security Agent

Without prejudice to or limiting any right the Security Agent may have under the Intercreditor Agreement or any other Debt Document, the Security Agent shall act as agent for the Secured Parties in all matters arising out of or in connection with this Agreement and shall, among others, be entitled to make, pursue and enforce any rights and claims arising under or in respect of this Agreement on behalf of the Secured Parties.

10.6 Conflict

In case of conflict between any term of this Agreement and any term of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

11 GOVERNING LAW

This Agreement is governed by Norwegian law.

12 ENFORCEMENT

12.1 Jurisdiction

- (a) The courts of Norway, with Oslo district court (*Oslo tingrett*) as court of first instance, have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.
- (b) This Clause 12.1 is for the benefit of the Secured Parties only. No Secured Party shall be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

12.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Guarantor (other than a Guarantor incorporated in Norway):

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the Norwegian courts in connection with this Agreement and the Company accepts that appointment by its execution of this Agreement; and
- (b) agrees that failure by a process agent to notify the relevant Debtor of the process will not invalidate the proceedings concerned.

**SCHEDULE 1
THE ORIGINAL GUARANTORS**

Name of Original Guarantor	Company registration number (or equivalent, if any) and jurisdiction
Kongsberg Automotive ASA	942 593 821, Norway
Kongsberg Automotive Holding 2 AS	991 851 836, Norway
Kongsberg Automotive AS	979 473 672, Norway

**SCHEDULE 2
FORM OF ACCESSION LETTER**

To: Nordic Trustee AS as the Security Agent (on behalf of the Secured Parties)
From: [Name of Additional Guarantor] and Kongsberg Automotive AS

Dated: [] 2024

Guarantee Agreement dated [] 2024 (the "Agreement")

- (a) We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
- (b) [Name of Additional Guarantor] agrees to become an Additional Guarantor pursuant to Clause 9.1 (Additional Guarantors) of the Agreement and to be bound by the terms of the Agreement as a Guarantor.
- (c) [Name of Additional Guarantor] is a company duly incorporated under the laws of [Name of jurisdiction] with company registration number [], and it has the following contact details:
 - Address:
 - E-mail:
 - Attention:
- (d) [Insert any local law limitation language required.]
- (e) The provisions of Clause 11 (Governing law) and Clause 12 (Enforcement) of the Agreement shall be incorporated into this Accession Letter as if set out in full herein (with any logical amendments).

[Name of Additional Guarantor]

Kongsberg Automotive ASA

By:
Name:
Title:

By:
Name:
Title:

Accepted by the Security Agent on

Nordic Trustee AS

By:
Name:
Title:

**SCHEDULE 3
FORM OF RESIGNATION LETTER**

To: Nordic Trustee AS as the Security Agent (on behalf of the Secured Parties)

From: *[Name of resigning Guarantor]* and Kongsberg Automotive ASA

Dated:

Guarantee Agreement dated [] 2024 (the "Agreement")

- (a) We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
- (b) Pursuant to Clause 9.2 (*Resignation of a Guarantor*) of the Agreement, we request that *[Name of resigning Guarantor]* be released from its obligations as a Guarantor under the Agreement.
- (c) We confirm that:
 - (i) no Default is continuing or would result from the acceptance of this request; and
 - (ii) no payment is due from *[Name of resigning Guarantor]* under the Agreement or (in its capacity as any type of Debtor) under any other Debt Document.
- (d) The provisions of Clause 11 (*Governing law*) and Clause 12 (*Enforcement*) of the Agreement shall be incorporated into this Resignation Letter as if set out in full herein (with any logical amendments).

[Name of resigning Guarantor]

Kongsberg Automotive ASA

By:

By:

Name:

Name:

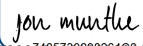
Title:

Title:

SIGNATURES

THE COMPANY

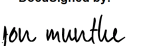
Kongsberg Automotive ASA

DocuSigned by:

By:
Name: Jon Gerhard Munthe
Title: Attorney-in-fact

Address: Dyrmyrgata 48, 3611 Kongsberg,
Norway
E-mail: jon.munthe@ka-group.com
Attention: Jon Gerhard Munthe, General
Counsel

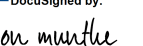
THE ORIGINAL GUARANTORS

Kongsberg Automotive ASA

DocuSigned by:

By:
Name: Jon Gerhard Munthe
Title: Attorney-in-fact

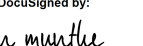
Address: Dyrmyrgata 48, 3611 Kongsberg,
Norway
E-mail: jon.munthe@ka-group.com
Attention: Jon Gerhard Munthe, General
Counsel

Kongsberg Automotive Holding 2 AS

DocuSigned by:

By:
Name: Jon Gerhard Munthe
Title: Attorney-in-fact

Address: Dyrmyrgata 48, 3611 Kongsberg,
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Attention: Jon Gerhard Munthe, General
Counsel

THE SECURITY AGENT

Nordic Trustee AS

DocuSigned by:

By:
Name: Jørgen Andersen
Title: p.p.