

## **Company Description**

Admission to trading on First North Bond Market Copenhagen

of

DKK 750,000,000 Floating Rate Notes due 22 June 2020

ISIN: DK0030400973

by

Energi Danmark A/S



**First North Disclaimer**

First North Bond Market is an alternative marketplace operated by an exchange within the Nasdaq group. Issuers on First North Bond Market are not subject to the same rules as Issuers on the regulated main market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an Issuer on First North Bond Market may therefore be higher than investing in an Issuer on the main market. At least during the application process Issuers applying for admission to trading of fixed income instruments on First North Bond Market shall have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

**Notice to prospective investors**

This company description (the “Company Description”) has been prepared by Energi Danmark A/S (the “Issuer”, “Energi Danmark A/S” or the “Company”) for the admission to trading on First North Bond Market, Copenhagen of the DKK 750,000,000 floating rate notes due 22 June 2020 issued by the Issuer on 22 June 2017 (the “Notes”).

The Company Description has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented Directive 2003/71/EC and amendments thereto (the “Prospectus Directive” and each such member state, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or Nordea Bank AB (publ) (Lead Manager and Certified Advisor) to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor Nordea Bank AB (publ) have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or Nordea Bank AB (publ) to publish or supplement a prospectus for such offer.

The Issuer accepts responsibility for the information contained in this Company Description and declares that, having taken all reasonable care to ensure that such is the case. The information contained in this Company Description to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

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Neither the delivery of this Company Description nor the offering, sale or delivery of any Note, shall in any circumstances, create any implication that the information contained in this Company Description is true subsequent to the date hereof, or that there has been no adverse change, or any

event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof.

The distribution of this Company Description and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Company Description comes are required by the Issuer and Nordea Bank AB (publ) to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

This Company Description does not constitute an offer of, or an invitation by or on behalf of the Issuer, Nordea Bank AB (publ) or any of them to subscribe for or purchase, any Notes.

The Notes have not been assigned a rating by a rating agency.

### **Third Party Information and Forward-Looking Statements**

If not otherwise indicated, Energi Danmark A/S is the source of information in this Company Description Document. Information which has been sourced from a third party has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company Description Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Issuer's (including subsidiaries and affiliates) lines of business.

Any statement in this Company Description that is not a historical fact is a forward-looking statement. Such statements are not historical facts and may include opinions and expectations about management's confidence and strategies as well as details of management's expectations of new and existing programs, technology and market conditions. These forward-looking statements rely on assumptions concerning future events that are subject to a number of risks and uncertainties, many of which are outside the Issuer's control, and which could cause the Issuer's actual results to be materially different from these forward-looking statements. While the Issuer believes that its assumptions concerning future events are reasonable, there are inherent difficulties in predicting certain important factors that could impact the future performance or results of the Issuer's business. The Issuer expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise. The Issuer's actual results could differ materially from those indicated in these forward-looking statements as a result of certain factors, including but not limited to the risks described elsewhere in this Company Description. Additionally, the Issuer makes no representations or warranties as to the suitability of the information for your purposes. You are reminded that all forward-looking statements in this Company Description are made as of the date hereof.

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# 1. Responsibility Statement

## **The issuer's responsibility**

Energi Danmark A/S is responsible for this Company Description in accordance with First North Bond Market – Rulebook and Danish law.

## **The liability statement of the Board of Directors**

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

This Company Description is signed by the Chief Executive Officer, CEO, and the Chief Financial Officer, CFO, of Energi Danmark A/S pursuant to an authorisation of the Board of Directors of Energi Danmark A/S.

Energi Danmark A/S, Aarhus, 2017

On behalf of the Board of Directors of Energi Danmark A/S

Jørgen Holm Westergaard, CEO

Jesper Nybo Stenager, CFO

## 2. Risk factors

An investment in the Notes involves a high degree of risk and the holders of Notes (the “Noteholders”) may lose their entire investment. The Issuer is a trading company and carries out its business by itself and through its subsidiaries (together with the Issuer, the “Group” or the “Energi Danmark Group”). Accordingly the financial performance of the Group and the risks associated with the Group’s business are important when making a decision on whether to invest in the Notes. A number of factors influence and could influence the Group’s operations and financial performance and ultimately the Issuer’s ability to make interest payments and payments of principal on maturity. In this section a number of risk factors are illustrated and discussed—both general risks pertaining to the Group’s operations and material risks related to the Notes as a financial instrument.

All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Additional risk factors not presently known to the Issuer, or that the Issuer currently deems immaterial, may also render the Issuer unable to pay interest, principal or other amounts on or in connection with the Notes.

The factors described below are not presented in any order of priority. It is not possible to quantify the significance of each individual risk factor, as each risk described below may materialise to a greater or lesser degree, or may have unforeseen consequences.

This Company Description also contains forward-looking statements that involve risks and uncertainties. The Issuer’s actual results could differ materially from those indicated in these forward-looking statements as a result of certain factors, including but not limited to the risks described below and elsewhere in this Company Description.

Potential investors should also read the detailed information regarding the Issuer, its business and the Issuer’s industry in general as set out elsewhere in this Company Description, in the Issuer’s annual report and otherwise available to the investors in order to reach their own views prior to making any investment decision with respect to the Notes.

Each of the risk factors set out below applies equally to the Issuer and the Group and the occurrence of any of the following risk factors may materially and adversely affect the Issuer and the Group’s business, results of operations or financial condition and consequently have a negative effect on the Issuer and its ability to meet its obligations under the Notes.

At present, there are no identifiable risks that could jeopardise the continued operation of the Issuer or the Group. However, there are a number of businesses or operational factors that can affect the Group’s operations by having either a positive or a negative impact on revenue and results which may affect the Issuer’s ability to fulfil its payment obligations under the Notes. These include:

### ***Risk factors related to the Issuer (credit risks)***

#### ***Regulatory risks***

The Group operates in the electricity sector, which is highly regulated and therefore, there are substantial uncertainties embedded in the operations of this sector. The legal framework in Denmark or other countries where the Group already operates or will operate could change in an unpredictable way, including on the EU level. New laws may be unfavourable to the operations of the

Group or may require necessary adjustments to operations. Electricity is a commodity of great importance to society and new regulations may set up requirements for the capital or liquidity base for energy providers. The Group Companies may be unable to implement new regulations in the prescribed period or at all. Consequently, the Group's operations may have to be altered, causing an inability to use common solutions or implement the Group's strategy. Changes in public policies or regulations to the detriment of the Group could adversely affect the Group's business, earnings and financial position and may impact the Issuer's ability to make payments in respect of the Notes.

### **Price risks**

The price of electricity is subject to fluctuations that cannot be predicted. The price of electricity depends on numerous factors, including, but not limited to: electricity supply, electricity demand, source of electricity generation and prices of energy resources (e.g., coal, natural gas, crude oil), regulatory framework, price control policies implemented by market regulator, as well as the stage of development of the electricity market in a particular country/region.

Electricity supply depends on various factors, including, inter alia: generation capacities in a particular country/region, existing electricity transmission lines and/or interconnections between electricity grids of countries/regions, as well as their capacities, volume of imports and exports of electricity, structure of energy sources (e.g., fossil fuel, nuclear energy or renewable sources), as well as seasonality and weather conditions (e.g., influence of spring and autumn thaws, as well as level of rainfall on hydro generation; influence of wind power on generation in wind parks; influence of temperature on transmission capacities of power grids). Any increase in electricity supply may cause a decrease in electricity prices. Such circumstances may have an adverse material impact on the Group's financial results and prospects.

Electricity demand depends on, among others: the stage of economic development, macroeconomic situation, industrial production, use of electricity by households, as well as environmental policy. Furthermore, technological innovations may cause development of energy saving technologies in various spheres of human activity, which may substantially decrease electricity demand. Any decrease in electricity demand may cause a decrease in electricity prices. Such circumstances may have an adverse material impact on the Group's financial results and prospects.

As the Group is involved in electricity trading, there is no assurance that future fluctuations in prices of electricity, demand for and supply of electricity, will not have an adverse effect on the Group's operations. The above mentioned factors cannot be controlled by the Group and, as a consequence, may have an adverse material impact on the Group's prospects and financial results.

The Group hedges its exposure against the price of electricity in the various markets based on the risk management policy of the board of directors of the Issuer. These exposures are monitored daily. The long-term customer contracts pertain to fluctuating volumes for which it can be difficult to hedge prices in the liquid part of the customer's consumption of electricity. If the Group incorrectly hedges its electricity price risk or if the Group fails to hedge its electricity price and electricity sales adequately, this could adversely affect the Group's business, earnings and financial position and may impact the Issuer's ability to make payments in respect of the Notes.

### **Volume risks**

The volume of electricity traded by the Group depends on various factors, including, among others: the pricing policy of the Group, electricity demand, the ability to purchase the required volume of electricity, capacities of electricity transmission lines and/or interconnections between electricity grids, provisions of contracts with the Group's customers, as well as market share and competitive strengths of the Group. Not all of the factors mentioned above can be controlled by the Group. As a consequence, the volume of electricity traded by the Group may decrease. Any such decrease in the volume of electricity traded by the Group will decrease Group revenue.

Volume risk also arises in sales activities as deviations in anticipated versus actual volumes delivered to customers. If the Group fails to mitigate its volume risk this could adversely affect the Group's business, earnings and financial position.

### ***Trading risks***

The Group actively trades on the European power exchanges.

Consequently, the Group's business operations are highly dependent on the proper functioning of the power exchange and its trading platform, as well as the Group's ability to be a participant of the power exchange and to freely trade on it.

Any technical failure, acts of cybercrime, disruption or shutdown of the power exchange and/or its systems may lead to an inability to trade on the power exchange on a regular basis, if at all. As a consequence, the Group may not be able to conduct its usual operational activity. This may have an adverse material effect on the Group's operations and financial results.

Furthermore, as a participant of the power exchanges, the Group is subject to its various rules and regulations. In accordance with terms and rules of power exchanges, a participant may be suspended from trading on the power exchange or the participation agreement may be terminated, if the participant is, inter alia, in breach of trading and clearing rules, as well as any applicable laws.

### ***Technical failures, disruptions, damages or reduced capacities***

The electricity that the Group imports and exports is transmitted through electricity transmission lines between the electricity grids of the countries within the national transmission systems. In the event of any technical failure, disruption, damage, acts of terror, decrease in transmission capacity or other force majeure event concerning electricity transmission lines should occur, electricity may not be transmitted between electricity grids in the planned volumes, if at all.

In such case, the Group may not be able to import or export the planned volume of electricity and may fail to deliver the contracted volume of electricity to its customers or may be forced to purchase electricity for higher prices on the power exchange or from other market participants on less favourable terms. If the Group fails to deliver or receive contracted electricity, it may be liable for contractual penalties or may be forced to buy electricity from other market participants or on the power exchange on less favourable terms.

Failure to deliver or receive contracted electricity may have a negative impact on customer relations, may lead to a loss of customers, and may damage the Group's credibility.

### ***Competition***

The Group faces competition from other electricity traders and importers that are active in the European markets. There is no guarantee that the Group will be able to compete effectively against current and future competitors, in particular, those with greater electricity supply capacities than the Group. Competition from other electricity traders and importers may increase due to further integration of electricity markets in the region, which is possible due to the development of electricity grid interconnections.

Any new entrants to, or other changes in, the competitive environment may result in price reductions, reduced margins or loss of market share, any of which could materially and adversely affect the Group's profit margins.

### ***Growth***

Since 2007, the Group has expanded its sales activities into the Nordic countries and Germany.

Integrating new trading and other businesses or offices in new geographic locations into the Group's existing operations presents a number of challenges that may involve unanticipated delays, costs and operational problems.



This expansion of operations requires the Group to find, train and retain qualified personnel to manage and operate any new lines of business. Such expansion also requires the Group to continuously upgrade and improve its risk management systems and controls and seek to ensure that all members of staff are adequately trained in the Group's risk management policies. Similar upgrades and improvements are necessary in respect of the Group's IT systems. The failure to manage any of these factors effectively could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

### ***Liquidity***

The Group's trading activities employ significant amounts of working capital to fund purchases of electricity for future delivery to its customers. Continued funding of and access to working capital is critical for the Group to maintain its historic levels of trading activity and to increase such levels in the future. Therefore, liquidity, or ready access to funds, is essential to the Group's business and the growth hereof. Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. The liquidity risk is monitored on a day-to-day basis and a cash flow prognosis showing expected future cash movements is maintained. The liquidity risk of the Group is mitigated by having several providers of credit facilities, which ensure access to capital and flexibility and the Group is committed to maintaining financial stability by having credit lines available to secure its needs for working capital and a reasonable equity ratio. However, the credit facilities are uncommitted and the activities of the Group is depending on the continuation hereof or the provision of similar credit facilities from other sources. A lack of liquidity may mean that the Group will not have funds available to maintain or increase its trading activities or take advantage of other opportunities that may arise during its business activities and may impact the Issuer's ability to make payments in respect of the Notes.

Prudent liquidity risk management requires the Group to maintain sufficient cash and cash equivalents through the accumulation of retained earnings and to have ready sources of funding available to meet anticipated and unanticipated funding needs. While the Group adjusts its minimum internal liquidity targets in response to changes in market conditions, its liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, increases in the prices of electricity or an operational problem that affects its suppliers, customers or the Group itself.

### ***Guarantees***

The Group's trading activities with power exchanges requires substantial guarantee lines in certain pricing scenarios. Continued access to guarantee lines is critical for the Group to maintain its historic levels of trading activity and to increase such levels in the future. Therefore, such lines are essential to the Group's business.

Prudent risk management requires the Group to maintain sufficient guarantee lines with its bank and insurance counterparties to meet anticipated and unanticipated needs. While the Group adjusts its minimum internal targets in response to changes in market conditions, its access to guarantee lines may be impaired due to circumstances it is unable to control.

### ***Currency exchange risk***

The Group conducts a significant portion of its activities with prices related to currencies other than Danish Kroner and is therefore exposed to fluctuations in currency exchange rates relative to Danish Kroner. Any such fluctuations and changes may materially and adversely affect the Group's operations or financial condition. Contracted transaction exposures in another currency than Danish Kroner and Euro are hedged in accordance with the Issuers daily risk management based on the exposure levels approved by the board of directors. The goal for the hedging strategy is to, over time; match the currency composition of the expected future cash flow with the currency composition of the Group's exposure from operations over time. The Group's currency fluctuations risk includes any

implementation by relevant governments or monetary authorities (including that of the Eurozone) of exchange controls or the break-up of relevant currencies and/or currency regimes. Any such implementation or break-up may materially and adversely affect the Group's operations or financial condition and cause harm to the Group's reputation.

#### ***Interest rate risk***

The Group's banking facility is at variable interest rates, but interest rate risk is hedged using, e.g., interest rate swaps. However, there is no guarantee that in the future, the Group will be able to hedge any interest rate risks arising from obtained debt financing. Furthermore, there is no guarantee that hedging arrangements implemented by the Group will not result in additional losses. As a result, the Group may be subject to the effects of interest rate fluctuations on its indebtedness. Therefore, any adverse interest rate fluctuations may have an adverse material effect on the Group's results of operations, prospects and financial results.

#### ***Counter party- and credit risk***

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers and counterparties. The Group has introduced specific procedures to ensure on a permanent basis that sales are made to customers with an appropriate credit history and/or state-owned entities. The necessity of maintaining high standards for credit assessments has become even more relevant since the wholesale model was implemented in Denmark, because the risk of losses from customers not paying their bills including energy taxes and transport of electricity have shifted from the grid companies to trading companies like the Issuer. If the Group's credit analysis proves to be incorrect or if its system to mitigate credit risk proves inadequate, this could adversely affect the Group's business, earnings and financial position.

#### ***Insurance coverage***

The Group's operations are subject to risks inherent in the sector in which the Group operates. The Group maintains insurance in accordance with applicable laws and regulations. The Group cannot assure that it has adequately insured against all risks, that any future claims, penalties and/or fines will be paid or that it will be able to procure adequate insurance coverage at commercially reasonable rates in the future. If regulations become more stringent, insurance costs may increase or make insurance unavailable against certain risks.

Furthermore, there is no guarantee that the insurance policies will cover all losses that the Group may incur, or that disputes over insurance claims will not arise with insurance carriers. There is no guarantee that the Group will be able to renew its insurance policies on the same or commercially reasonable terms, if at all, in the future.

Any uninsured or underinsured loss may have an adverse material impact on the Group's operations, prospects and financial results.

#### ***Taxation and duties***

The Group operates in all of the Nordic countries and Germany, which exposes it to the tax regimes of many different countries. Applicable taxes could increase significantly in each of these countries as a result of changes in the tax laws or its application. Furthermore the Group may become subject to tax audits, which could increase the amount of tax that the Group is required to pay. If the Group fails to mitigate tax risk adequately, the Group may become exposed to tax liabilities which could adversely affect the Group's business, earnings and financial position and may impact the Issuer's ability to make payments in respect of the Notes.

#### ***Compliance risks***

The Group's electricity trading is partially executed based on orders submitted by a team of traders on a daily basis in response to market conditions, based upon considerations of the Group's

contractual obligations and market demand. While the Group has introduced respective written procedures to supervise trader activity, there is no guarantee that the Group's policy will be appropriate or that the procedures in place will limit the influence of human error on the Group's operations and financial results. The same applies to risks associated with non-compliance with laws and criminal offences committed by employees of the Group. Any failure with respect to risk management or inappropriateness of procedures in place may adversely impact the Group's business, financial condition and results of operations.

### ***Key personnel***

The Group's success depends to a significant extent upon the contributions of a limited number of the Group's key senior management and personnel. There can be no certainty that the Group will be able to retain its key personnel. Factors critical to retaining the Group's present staff and attracting and motivating additional highly qualified personnel include the Group's ability to provide these individuals with competitive compensation arrangements.

The loss (whether temporary or permanent) of the services of any director, member of the senior management team or other key personnel within the Group Companies could have an adverse material effect on the business, financial condition or results of operations of the Group. It is however the intention of the Group always to have a back-up person for every key employee available.

### ***Information technology***

Information technology is part of the Group's business strategy and operations. It enables the Group to provide customers with new and enhanced products and services and also helps to streamline operation processes, facilitating the collection and reporting of business data, in addition to internal and external communications. As part of the Group's business, the Group deals with sensitive personnel and customer information for which various rules of procedure are in place. The Group focusses on having secure and effective data processing systems. Nevertheless Energi Danmark cannot fully rule out the lack of availability of IT infrastructure or a breach in the security of the Energi Danmark Group's data. There are risks that information technology system failures, network disruptions and breaches of data security could disrupt the operations of the Company. Significant disruption or breach may have a material adverse effect on the Group's business, financial positions, and results of operations.

### ***Risk factors related to the Notes***

#### ***Suitability***

The Notes may not be a suitable investment for all investors. Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- i. have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Company Description;
- ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the effect the Notes will have on its overall investment portfolio;

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

### ***Credit risks***

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. The Issuer may become unable to pay interest, principal or other amounts on or in connection with the Notes, which may affect the value of the Notes adversely. Changes in the market's perception of the Issuer's creditworthiness may also affect the value of the Notes adversely. The Issuer's ability to make payments on the Notes will depend on its ability to generate cash or refinance itself in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are outside the Issuer's control.

### ***Dematerialized securities***

Because the Notes are dematerialized securities held in the system of VP Securities A/S, investors will have to rely on the VP Securities A/S's procedures for transfer, payment and communication with the Issuer. The Notes will not be evidenced by any physical note or document of title other than statements of account made by VP Securities A/S. Ownership of the Notes will be recorded and transfer effected only through the book entry system and register maintained by VP Securities A/S.

### ***Modification, waivers and substitution***

The terms of the Notes contains provisions for calling meetings of Notes holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. A Noteholder may be adversely affected by such decisions.

### ***Noteholders representation***

In accordance with the Terms and Conditions of the Notes, the Representative (as defined in the Term and Conditions) represents each Noteholder in all matters relating to the Notes and shall enforce the Terms and Conditions on behalf of the Noteholders. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions of its own against the Issuer.

Additionally, under the Terms and Conditions the Representative has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders, including:

- a. the right to agree to amendments to or waivers of the Terms and Conditions of the Notes, provided that such amendment or waiver is not detrimental to the interest of the Noteholders, is made solely for the purpose of rectifying obvious errors and mistakes or is required by applicable law or decision by a relevant authority; and
- b. the right to accelerate the Notes and exercise any right, remedies, powers or discretions under the Terms and Conditions upon the occurrence of an Event of Default.

***Legislative changes***

The Terms and Conditions of the Notes are based on Danish law as in effect on the issue date, 22 June 2017 and no assurance can be given as to the effect of any possible judicial decision or change to Danish law or administrative practice after 22 June 2017.

***Liquidity***

The Notes constitute a new issue of securities. An application for the admission of the Notes to trading on the First North Bond Market Copenhagen will be submitted. The Notes do not currently have an established trading market and one may never develop. If an effective market does not develop, the Notes may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a material adverse effect on the market value of Notes. The Issuer expects the liquidity of the Notes to be limited.

***Early redemption***

The Notes will be redeemed on 22 June 2020. Noteholders have no right to call the Notes for their redemption. Therefore, prospective investors should be aware that they may not recover their investment before the end of this period.

***Restrictions on resale***

The Notes are subject to certain restrictions on resale and other transfers thereof. The Issuer gives no representation with respect to the existence of a secondary market for the Notes or the liquidity of such a market if one develops. Consequently, Noteholders must be able to bear the economic risk of their investment in the Notes for the terms of the Notes.

***Market Volatility***

The market price of the Notes may be volatile and subject to significant fluctuations caused by various factors, many of which are not directly related to the Group. Factors having a potential effect on the price of the Notes include actual or anticipated fluctuations in the results of the operations of the Group or its competitors, circumstances, trends or changes in the markets in which the Group operates, changes to the market's valuation of other corresponding companies, changes to management and as well as general macroeconomic conditions.

The market price of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Denmark or elsewhere, factors affecting the capital markets in general and the market on which the Notes are traded. The price at which a Noteholder can sell the Notes might be considerably below the issue price or the purchase price paid by the investor.

***Tax risks***

Prospective investors should be aware that the investment in the Notes may have unforeseen tax implications. Prospective investors should seek independent advice relating to tax risks prior to making a decision to invest in the Notes.

***Exchange rates***

The Issuer will pay principal and interest on the Notes in DKK. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit other than DKK. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

***European Monetary Union***

It is possible that prior to the maturity of Notes the euro may become the lawful currency of Denmark. In that event (i) all amounts payable in respect of any Notes denominated in DKK may become payable in euro; and (ii) the law may allow or require such Notes to be re-denominated into euro and additional measures to be taken in respect of such Notes. The introduction of the euro in any jurisdiction could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

***The Notes will be unsecured and structurally subordinated***

The Notes will not be secured and will effectively be subordinated to any secured debt of the Group. If the Group incurs additional secured debt as far as the security can cover (permitted to be incurred by it in accordance with the Terms and Conditions of the Notes), in any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of the Group's secured debt would be able to assert rights against the secured assets in order to receive full payment (or payment as far as the security can cover) of their debt before such assets may be used to pay the Noteholders. Further, the Notes are structurally subordinated in relation to both secured and unsecured creditors of other subsidiaries in the Group and repayment of the Notes are dependent on dividends being available for distribution to the Issuer.

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking pari passu or senior to the obligations under or in connection with the Notes in its ordinary course of business. The incurrence of any such additional indebtedness may increase the likelihood of a deferral of payments under the Notes and/or may reduce the amount recoverable by Noteholders in the event of insolvency or liquidation of the Issuer.

***Interest rate***

The Notes are exposed to the risk of fluctuating interest rate levels and uncertain interest income. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

***Legal investment considerations***

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

***Change of control put option***

The Note Agreement contains provisions relating to a "Change of Control". Upon the occurrence of a Change of Control, each Noteholder will have the option to put its Notes to the Issuer who will be required to redeem or purchase or procure the purchase of such Notes at a price equal to 101 per cent of the nominal amount together with accrued interest. If a Change of Control were to occur, the Issuer may not have sufficient funds available, or may not be able to obtain the funds needed, to redeem or pay the purchase price for all of the Notes put to it by Noteholders. Failure to redeem or purchase the Notes would be an Event of Default under the Terms and Conditions of the Notes. Various restrictions in future indebtedness of the Group may also prohibit the Group from being provided with the funds necessary to redeem or purchase any Notes prior to their stated maturity in

the case of a Change of Control. Before the Issuer can be provided with any funds to redeem or purchase any Notes, the Group may be required to repay indebtedness under future senior credit facilities, or, possibly, other future indebtedness that ranks senior to the Notes or obtain a consent from various lenders of other indebtedness, to make funds available to permit the redemption or repurchase of the Notes.

### 3. Company data

Energi Danmark A/S

Hedeager 5

DK-8200 Aarhus N

Denmark.

Phone: +45 87 42 62 62.

Website: [www.energidanmark.dk](http://www.energidanmark.dk)

CVR-no: 17 22 58 98

(referred to herein as the “Issuer” or “Energi Danmark”)

Energi Danmark A/S is a Danish Public Company established 1 July 1993 and regulated by the Danish Companies Act. Energi Danmark A/S court of domicile is the City Court of Aarhus (Danish: *Aarhus Byret*). The Company’s commercial name is Energi Danmark.

Energi Danmark is audited by Ernst & Young, State-authorised Public Accounts.

### 4. Description of Energi Danmark

For a description of the Issuer and the Issuer’s annual and interim financial reports, reference is made to the Company Description dated as of 13 October 2014 published in relation to the admission for trading on First North Bond Market Copenhagen of DKK 500,000,000 Floating Rate Notes due 26 June 2017 (ISIN: DK0030343561) which are to be read in conjunction with all company announcements and publications of annual and interim financial reports which the Issuer has published on Nasdaq Nordic’s website ([www.nasdaqomxnordic.com/news/companynews](http://www.nasdaqomxnordic.com/news/companynews)) during the period from 13 October 2014 to 26 June 2017. The Issuer confirms that for the period since 26 June 2017, no changes have occurred which would have required the Issuer to publish an announcement in accordance with Nasdaq’s First North Bond Market Rule Book, section 4.

Company description from October 13<sup>th</sup> 2014: <http://www.energidanmark.dk/media/1146/energi-danmark-company-description-signed.pdf>

Annual Report 2016: <http://ipaper.ipapercms.dk/EnergiDanmark/AnnualReport/annual-report-2016/>

### 5. Financial Calendar

**Energi Danmark A/S’s financial calendar:**

17 August 2017	Half-year report (1H 2017)
March 2018*	Annual report 2017
April 2018*	Annual general shareholder meeting
August 2018*	Half-year report (1H 2018)



The Company will continuously observe its obligations to disclose all information, which is likely to have a significant effect on the price of the Notes.

\*Expected months. Exact dates will be published when we announce our Financial Calendar with the half-year report on August 17<sup>th</sup> 2017.

## 6. Board of Directors and Executive Board

### Board of Directors

#### Jesper Hjulmand

CEO of SEAS-NVE

MSc (Business Administration)

**Date of birth:** 15.12.1963

**Member of the Board since:**

01.01.2005

**Board memberships, honorary offices:**

>Energi Danmark A/S (Chairman)

>SEAS-NVE Net A/S (Chairman)

>Fibia P/S (Chairman)

>Tryghedsgruppen s.m.b.a. (Deputy Chairman)

>TRYG A/S (Board member)

>TRYG A/S audit committee and

The Risk committee

**Danish Energy Association:**

>DE-Net's Committee of Directors (Chairman)

**The Confederation of Danish Industry:**

>The Confederation of Danish Employers within the field of Energy

and Supply (DEA), (Chairman)

>Confederation of Danish Industry's executive committee

**Others**

>Nykredit (Member)

#### Søren Sørensen

NRGi a.m.b.a.

Engineer, HD in organisation and corporate management

Executive MBA, Change Management

**Date of birth:** 27.02.1964

**Member of the Board since:**

17.04.2008

**Board memberships, honorary offices:**

>Energi Danmark A/S

>Incuba Invest A/S

#### Martin Romvig

CEO of Eniig

MBA

**Date of birth:** 23.10.1969

**Member of the Board since:**

15.10.2014

**Board memberships, honorary offices:**

>Eniig Energi A/S (Chairman)

>Eniig Fiber A/S (Chairman)

>Eniig Energiteknik A/S (Chairman)

>Eniig Renewables A/S (Chairman)

>Dansk Energi Direktørudvalg (Committee of Directors)

>Dansk Energi Lederforum (Management Forum)

#### Anders J. Banke

CEO of SEF

Electrical (heavy current) engineer

**Date of birth:** 19.08.1971

**Member of the Board since:**

01.01.2009

**Board memberships, honorary offices:**

>Go2green (Chairman)

>VL60 (Chairmanship)

>Sydfyns Elforsynings almennyttige Fond (SEAF)

>Local council, Sydbank, Svendborg

>Dansk Energi Lederforum (Chairman)

#### Chris Dahlerup

Managing Director of EWII Energi

Master of Science (MSc) in Business Administration and Auditing

**Date of birth:** 21.07.1966

**Member of the Board since:**

02.06.2017

**Board memberships, honorary offices:**

>Energi Danmark A/S



>Chairman, VL95  
>Chairman, Handelsudvalget Dansk Energi

#### **Jens Otto Veile**

Director

MSc Economics

MBA INSEAD

**Date of birth:** 24.07.1950

**Member of the Board since:**

27.09.2004

#### **Board memberships, honorary offices:**

>Kaj Andersen & Sønner Holding A/S (Chairman)  
>Investeringsselskabet af 1. november 2001 A/S (Chairman)  
>Andersen Motors A/S (Chairman)  
>Andersen Motors Ejendomme A/S (Chairman)  
>Suzuki Bilimport Danmark A/S (Chairman)  
>e-parts A/S (Chairman)  
>Bascon Holding A/S (Chairman)  
>Bascon A/S (Chairman)  
>The Danish Pension Fund for Engineers (DIP)  
>Karen Krieger-Fonden  
>Bursar of The Carlsberg Foundation and The New Carlsberg Foundation

#### **Executive Board**

#### **Jørgen Holm Westergaard**

CEO of Energi Danmark A/S

(since 1 May 1999)

MSc Economics

**Date of birth:** 06.08.1963

#### **Board memberships, honorary offices:**

>Energi Danmark Securities A/S (Chairman)  
>Energi Försäljning Sverige AB (Chairman)  
>Energi Danmark Vind A/S (Chairman)  
>Energia Myynti Suomi Oy (Chairman)  
>Energi Salg Norge AS (Chairman)  
>Energie Vertrieb Deutschland EVD GmbH (Chairman)  
>Dansk Elhandell

#### **Jesper Nybo Stenager**

CFO of Energi Danmark A/S

(since 1 April 2015)

State-authorised Public Accountant (MSc Business Economics & Auditing)

**Date of birth:** 08.09.1970

#### **Board memberships, honorary offices:**

>Energi Danmark Securities A/S  
>Energi Försäljning Sverige AB  
>Energi Danmark Vind A/S  
>Energia Myynti Suomi Oy  
>Energi Salg Norge AS  
>Energie Vertrieb Deutschland EVD GmbH

#### **Related Parties Transactions**

There are no transactions with persons discharging managerial responsibilities in the Issuer, Board members, affiliates to such persons, major owners or another company within the same group as the Issuer.

#### **Statement of past records and legal actions**

There have been no instances within the last five years of any conviction of economic crime, fraud related convictions, bankruptcies, liquidations or similar processes where members of the Company's executive board or the board of directors have been involved and no such instances or processes are ongoing.

No member of the Company's executive board or the board of directors have within the last 5 years been disqualified the right to act as a board member or member of the executive board by a court of law.

## 7. Ownership

As of 1 July 2017, the Company had the following shareholders.

	Ownership %	Share capital (DKK)
1. SEAS-NVE a.m.b.a., Svinninge, Denmark	28.97	64,260,207
2. NRGi a.m.b.a., Aarhus N, Denmark	23.12	51,292,837
3. Energi Nord Holding A/S, Aalborg, Denmark	18.37	40,755,012
4. EWII Energi A/S, Kolding, Denmark	16.50	36,590,343
5. SEAS-NVE Strømmen A/S, Svinninge, Denmark	11.52	25,556,367
6. SEF Energi A/S, Svendborg, Denmark	1.12	2,493,320
7. Fonden Langelands Elforsyning, Rudkøbing, Denmark	0.40	885,250
	100.00	221,833,336

## 8. Litigations

The Group is from time to time involved in litigations. Other than the case mentioned below, Energi Danmark is not currently involved in legal proceedings which it deems to be significant, and to the best of the knowledge of the board of directors of Energi Danmark, no litigations of significance, are pending or imminent.

Based on competition authorities' decisions in previous years, Energi Danmark, together with more than 1,100 businesses, brought action for damages against DONG Energy, claiming a refund of the difference between a reasonable price and the unreasonably high prices charged between 1<sup>st</sup> of July 2003 and 31<sup>st</sup> of December 2006.

DONG Energy appealed the competition authorities' decisions to the Maritime and Commercial Court (substantive case) in 2007, but on 30 August 2016 the Maritime and Commercial Court pronounced judgement, in which the Competition Appeals Tribunal's ruling was upheld. DONG subsequently appealed the decision to the Supreme Court, which rejected the case and the case was referred to the High Court of Western Denmark, which is currently considering the case.

So far, the compensation case has been awaiting a final decision in the substantive case, but the Maritime and Commercial Court has decided that the compensation case will be considered in parallel with the High Court of Western Denmark's consideration of the substantive case. We expect that there will be a ruling in the compensation case in 2019 at the latest.

## 9. Certified Adviser

Nordea Bank AB (publ) has acted as Certified Adviser for the Company during the period for application to admission to trading and until the first day of trading on the First North Bond Market.

Certified Adviser:

Nordea Bank AB (publ)  
C/O Transaction Management  
Strandgade 3,  
1401 København K  
Denmark  
Corporate reg. no. 516406-0120

Nordea Bank AB (publ) has been approved as Certified Adviser by Nasdaq Copenhagen A/S.

## 10. Information regarding the securities

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among them. The Notes are subject to resale and transfer restrictions as described in the section “Notice to prospective investors. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

Any investor shall be aware that by virtue of being registered as a Noteholder (directly or indirectly) with VP SECURITIES A/S, the Noteholders are bound by the terms of the Terms and Conditions and any other Finance Document (as defined in the Terms and Conditions). The Finance Documents are in accordance with market practice not publicly available but can be obtained from the Representative upon request. All of the issued fixed income instruments are part of the admission to First North Bond Market.

The terms and conditions of the Notes are described more in detail in the Terms and Conditions in section 11, which is an integrated part of this Company Description.

Neither the Issuer nor the Notes have been assigned any public credit rating at the request or with the co-operation of the Issuer in the rating process.

### 10.1. Representative

The Company has entered into an agreement with Nordic Trustee A/S to act as Representative in this transaction. The Representative has been registered as representative (in Danish: *repræsentant*) with the register kept by the Danish Financial Supervisory Authority in accordance with Chapter 2a of the Danish Securities Trading Act, in accordance with the Terms and Conditions.

The Representative shall monitor the compliance by the Company of its obligations under the Terms and Conditions for full detail please refer to section 11 and applicable laws and regulations which are relevant to the terms the Terms and Conditions, including supervision of timely and correct payment of principal or interest, (however, this shall not restrict the Representative from discussing matters of confidentiality with the Company), arrange Noteholders’ meetings, and make the decisions and implement the measures resolved pursuant to the Terms and Conditions. The Representative is not

obligated to assess the Issuer's financial situation beyond what is directly set out in the Terms and Conditions.

The Company may relate to the Representative as a representative of all the Noteholders, and may reject Noteholders that make direct claims on the Company. In the event of conflict or a demand for renegotiation, the Company may discuss various options regarding procedure with the Representative in confidence.

## 11. Terms and conditions



**TERMS AND CONDITIONS FOR**  
**Energi Danmark A/S**  
**Up to DKK 750,000,000**  
**SENIOR UNSECURED FLOATING RATE NOTES**  
**WITH REPRESENTATIVE FOR THE NOTEHOLDERS**  
**REGISTERED UNDER CHAPTER 2 a OF THE SECURITIES**  
**TRADING ACT**  
  
**ISIN: DK0030400973**

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

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account holding institute (*kontoførende institut*) pursuant to the Securities Trading Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Denmark as applied by the Issuer in preparing its annual consolidated financial statements.

“**Addendum**” means an addendum to these Terms and Conditions prepared by the Representative evidencing the terms of each issue of Subsequent Notes.

“**Additional Amount**” has the meaning set forth in Clause 7.5.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Business Day**” means a day on which (i) VP and banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen and (ii) the Danish central bank’s settlement system is open for settlement in DKK.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day. (*Modified Following*).

“**Central Security Depository**” and “**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, initially VP.

“**Change of Control Event**” means if and when any person or a group of persons acting in concert (other than Energi Nord Holding A/S, Fonden Langelands Elforsyning, NRGi a.m.b.a, SEAS-NVE a.m.b.a, SEAS-NVE Strømmen A/S, SEF Energi A/S, EWII Energi A/S, and/or any company formed through a merger between any of the aforementioned companies), directly or indirectly, acquires or otherwise obtains Decisive Influence over the Issuer. For the avoidance of doubt internal transfer of shares between Energi Nord Holding A/S, Fonden Langelands Elforsyning, NRGi a.m.b.a, SEAS-NVE a.m.b.a, SEAS-NVE Strømmen A/S, SEF Energi A/S, EWII Energi A/S shall not constitute a Change of Control Event.

“**CIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on the Danish Bankers Association’s website for CIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Danish kroner and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Copenhagen interbank market reasonably selected by the Issuing Agent, for deposits of DKK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraphs (a) and (b), the interest rate will be determined by the Issuing Agent in a commercially reasonable manner; and

if any such rate is below zero, CIBOR will be deemed to be zero. “**Danish kroner**” and “**DKK**” means the lawful currency of Denmark.

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

- (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.

When determining the relevant person’s number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by any parent company of the relevant person and the parent company’s Subsidiaries shall be included.

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

“**Executive Order**” means the Danish Financial Supervisory Authority Executive Order no 819 of 26 June 2013 on Book-Entry etc. of Investment Securities with a Central Securities Depository as amended from time to time.

“**Equity**” means the booked equity of the Group on a consolidated basis.

“**Equity Ratio**” means the Equity expressed as a percentage of Total Assets on a consolidated basis calculated in accordance with the Accounting Principles.

“**Final Maturity Date**” means 22 June 2020

“**Finance Documents**” means these Terms and Conditions, the Representative Agreement and any other document designated by the Issuer and the Representative as a Finance Document.

“**Financial Indebtedness**” means:

- (a) money borrowed (not including any undrawn amounts under any credit facility);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);



- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

**“First Issue Date”** means 22 June 2017.

**“Force Majeure Event”** has the meaning set forth in Clause 25.1.

**“Group”** means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

**“Incurrence Test”** has the meaning set forth in Clause 12.2.

**“Initial Notes”** means the Notes issued on the First Issue Date.

**“Insolvent”** means, in respect of a relevant person, that it is deemed or declared to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Sections 17-18 of the Danish Bankruptcy Act (*konkursloven*, consolidated act no. 11 of 6 January 2014 as amended from time to time) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including reconstruction (*rekonstruktion*) under Part I A of the Danish Bankruptcy Act (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**“Interest”** means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

**“Interest Payment Date”** means 22 March, 22 June, 22 September and 22 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 22 September 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment

Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means CIBOR plus 2.40 per cent. *per annum*.

“**Interim Accounts**” means the unaudited consolidated semi-annual financial statement of the Issuer for the semi-annual period ending on 30 June each year, drawn up according to the Accounting Principles.

“**Issuer**” means Energi Danmark A/S, a public limited liability company incorporated under the laws of Denmark with Reg. No. 17225898.

“**Issuing Agent**” means Nordea Danmark, filial af Nordea Bank AB (publ), or another party replacing it, as Issuing Agent, in accordance with the terms and conditions of the VP Special Issuer Agreement.

“**Market Place**” means First North Bond Market, Copenhagen operated by Nasdaq Copenhagen A/S or any Regulated Market as agreed with the Representative, on which the Notes are listed, or where the Issuer has applied for listing of the Notes.

“**Material Adverse Effect**” means a material adverse effect on (i) the financial condition, results of operations, general affairs or trading position, of the Issuer or the Group (taken as a whole), (ii) the Issuer’s ability to perform and comply with its payment obligations under the Finance Documents; or (iii) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means any Subsidiary of the Issuer: (i) whose net profits and/or whose total gross assets (on a consolidated basis) represent not less than 7.5 per cent of the consolidated net profits, or, as the case may be, the consolidated total gross assets of the Issuer and its Subsidiaries taken as a whole, as calculated by reference to the latest financial statements; or (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Group Company, whereupon (a) in the case of a transfer by a Material Group Company, the transferor Material Group Company shall immediately cease to be a Material Group Company and (b) the transferee Subsidiary shall immediately become a Material Group Company, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Group Company shall be determined pursuant to the provisions of paragraph (i) above.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Note**” means a debt instrument (*gældsinstrument*) for the Nominal Amount and of the type set forth in Section 2(1)(b) of the Securities Trading Act and which are governed by and issued under these Terms and Conditions, including the Initial Notes and any Subsequent Notes.

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (*ejer*) or nominee with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 17 (*Noteholders’ Meeting*).

“**Permitted Indebtedness**” means:

Any Financial Indebtedness:

- (a) up to the maximum of any credit facility and/or credit line existing with Nordea and Danske Bank on the date hereof (including a total framework of bonds and short term commercial paper up to DKK 750,000,000) and financial indebtedness obtained to substitute, replace or refinance including bridge financing of such existing financial indebtedness;
- (b) arising for the sole purpose of posting margin to any regulated commodity exchange/clearing banks, and where such financial indebtedness is not used for any other investments and is repaid when such margins are reduced
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business and is within the risk levels defined by the board of directors of the Issuer;
- (d) arising under any interest rate hedging transaction in respects of payments to be made including in connection with any hedging policy of the Group;
- (e) arising in the ordinary course of business including;
  - (i) energy trading with regulated commodity exchanges within risk levels set by the board of directors of the Issuer;
  - (ii) trading with TSO's (transmission system operators) and counterparts in Denmark and other countries;
  - (iii) arising as a result of liquidity fluctuations related to regulatory changes as for example the effects of the Whole Sale Model in Denmark or similar fluctuations resulting from regulatory changes in Denmark and other countries
  - (iv) arising under financial or capital leases in the ordinary course of business; up to an amount of DKK 20,000,000;
  - (v) arising out of corporate tax, energy taxes, certificates and VAT exposures;
  - (vi) arising in connection with the ordinary course of business of the Group such as changes in market and/or price conditions in the markets directly relevant to the operations of the Group or increase in working capital as a result of relevant and reasonable organic growth;
- (f) incurred by Energi Danmark Vind A/S in connection with investment in wind turbines and sites up to an amount of DKK 100,000,000 during the term of the Note or any refinancing of debt incurred in connection with acquisition financing of wind turbines;
- (g) any counter-indemnity obligations in respect of guarantees issued by a bank, insurance company or financial institution on behalf of a Group Company including the maintenance and increase of guarantee lines in the ordinary course of business.

- (h) in respect of which a Group Company or the shareholders of the Issuer is the creditor;
- (i) arising in connection with investments in intangible assets (IT/software), leasehold improvements, vehicles, tools and equipment combined up to DKK 50,000,000 per year;
- (j) not being the sort of Financial Indebtedness referred to in paragraphs (a)-(i) above, provided that it occurs as a result of an event arising under the Group's ordinary business and provided that the aggregate amount of such indebtedness does not exceed DKK 100,000,000

**“Quotation Day”** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**“Record Date”** means the first (1) Business Day prior to (i) an Interest Payment Date, (ii) the date of a Noteholders' Meeting, or (iii) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Danish bond market.

**“Redemption Date”** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

**“Regulated Market”** means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Representative”** means Nordic Trustee A/S, CVR registration no. 34705720, registered as representative (in Danish: *repræsentant*) with the register kept by the Danish Financial Supervisory Authority in accordance with Chapter 2a of the Securities Trading Act, or another party replacing it, as Representative, in accordance with these Terms and Conditions.

**“Representative Agreement”** means the agreement entered into on or before the First Issue Date, between the Issuer and the Representative, or any replacement Representative Agreement entered into after the First Issue Date between the Issuer and a representative regarding, inter alia, the fees and remuneration payable to the Representative and the indemnifications given to the Representative.

**“Securities Account”** means the account for dematerialised securities (*værdipapirdepot*) maintained by the Central Securities Depository pursuant to the Securities Trading Act in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

**“Securities Trading Act”** means consolidated act no. 251 of 21 March 2017 on trading in securities etc. (*værdipapirhandelsloven*), as amended from time to time.

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

**“Subsequent Notes”** means any Notes issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any person, any Danish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dattervirksomhed*) to such person, directly or indirectly, as defined in the Danish Companies Act (*selskabsloven*, consolidated act no. 1089 of 14 September 2015 as amended from time to time).

“**Total Assets**” means the total booked assets of the Group on a consolidated basis calculated in accordance with the Accounting Principles.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**VP**” means VP Securities A/S, CVR No. 21599336, as Central Securities Depository (*CSD*) and registrar in respect of the Notes.

“**VP Special Issuer Agreement**” means the special issuer agreement entered into between the Issuer, the Issuing Agent as issue administrator under this agreement and VP concerning the Notes.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 18 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted;
- (f) references to a “**person**” shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) and
- (g) a time of day is a reference to Copenhagen time.

1.2.2 When ascertaining whether a limit or threshold specified in Danish kroner has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Danish kroner for the previous Business Day, as published by the Danish Central Bank (*Nationalbanken*) on its website ([www.nationalbanken.dk](http://www.nationalbanken.dk)). If no such rate is available, the most recently published rate shall be used instead.

- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Denmark promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Representative or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Danish kroner and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 On the First Issue Date the Total Nominal Amount of the Initial Notes is DKK 750,000,000. The nominal amount of each Note is DKK 1,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount.
- 2.4 The Issuer may, at one or several occasions, issue Subsequent Notes provided that (i) the Representative and Issuer have executed an Addendum; and (ii) no Event of Default is continuing or would result from such issue of Subsequent Notes. The Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Notes shall apply to the Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed DKK 750,000,000. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

## 3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for the refinancing of its outstanding DKK 500,000,000 FRN Notes due 26 June 2017 and for general corporate purposes.

#### **4. CONDITIONS FOR DISBURSEMENT**

- 4.1 The Issuer shall provide to the Representative, prior to the issuance of the Initial Notes the following, in form and substance satisfactory to the Representative:
- (a) the Finance Documents duly executed;
  - (b) the articles of association of the Issuer and a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Notes and any Finance Documents, and resolving to enter into such documents and any other documents necessary in connection therewith;
  - (c) evidence that the person(s) who has/have signed the Finance Documents are duly authorised to do so; and
  - (d) such other documents and information as is agreed between the Representative and the Issuer.
- 4.2 The Issuer shall provide to the Representative, prior to the issuance of any Subsequent Notes the following, in form and substance satisfactory to the Representative:
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;
  - (b) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the issue of the Subsequent Notes;
  - (c) a duly executed Addendum; and
  - (d) such other documents and information as is agreed between the Representative and the Issuer.
- 4.3 The Representative may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Representative does not have to verify the contents of any such documentation.
- 4.4 The Representative shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

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

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Securities Trading Act. Registration requests relating to the Notes shall be directed to an Account Operator. Title to the Notes shall pass by registration in the registers between the direct and indirect accountholders at VP in accordance with the rules and procedures of VP.
- 5.2 The Issuer, the Issuing Agent and the Representative to the extent permitted under applicable regulations, including Clause 36.3 of the Executive Order shall have access on demand to static data and ownership of the Noteholders registered in the Central Securities Depository as regulated in Clause 36.3 of the Executive Order. At the request of the



Representative, the Issuer shall promptly obtain such information and provide it to the Representative.

- 5.3 The Issuer hereby irrevocable appoints each of the Representative and the Issuing Agent and such persons employed by the Representative and the Issuing Agent as its attorneys with full power and authority to independently obtain information directly from the register kept by the Central Securities Depository in respect of the Notes. The Issuer may not revoke any such power of attorney while the Notes are outstanding unless directed by the Representative or unless consent thereto is given by the Noteholders. The Issuer shall without undue delay issue separate powers of attorney, if so requested by the Central Securities Depository.

## **6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Representative shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **7. PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the Central Securities Depository on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the Central Securities Depository on the relevant payment date. In other cases, payments will be transferred by the Central Securities Depository to the Noteholder at the address registered with the Central Securities Depository on the Record Date. Should the Central Securities Depository, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the Central Securities Depository, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.



- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the Central Securities Depository shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 All amounts payable by the Issuer to the Noteholders shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Denmark or any authority thereof or therein unless such withholding or deduction is required by law or regulation or the interpretation or application of such laws or regulations. If such withholding or deduction is required, the Issuer shall pay such additional amounts (the “**Additional Amounts**”) as are necessary in order that the net amount received by the relevant Noteholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
- 7.6 Notwithstanding Clause 7.5, no Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable by reason of any relevant person having, or having had, some connection with Denmark other than the mere holding of the Note(s); or
  - (b) are withheld or deducted pursuant to any European Union Directive or Regulation concerning the taxation of interest income or any provision of law implementing or complying with such Directive or Regulation.

## **8. INTEREST**

- 8.1 Each Initial Note carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Notes will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance up to (but excluding) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 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).
- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is 2 (two) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Issuing Agent or the Central Securities Depository, in which case the Interest Rate shall apply instead.

## **9. REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the Final Maturity Date shall be adjusted in accordance with the Business Day Convention.

## **9.2 Issuer's purchase of Notes**

The Issuer may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

## **9.3 Early redemption due to illegality or tax event (call option)**

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.3.2 The Issuer may redeem the relevant Notes on the first upcoming Interest Payment Date after the time limit set out in clause 9.3.3 if, as a result of any change in, or amendment to, laws or regulations in Denmark, or any change in the interpretation or application of such laws or regulations, which amendment or change is effective on or after the First Issue Date, the Issuer has or will become required to pay Additional Amounts in relation to any Notes and this obligation cannot be avoided by reasonable measures available to the Issuer. The Notes shall be redeemed at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 9.3.3 The Issuer shall give notice of any redemption pursuant to Clause 9.3.1 or 9.3.2 together with a officer certificate confirming right to redeem no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 9.3.4 A notice of redemption in accordance with Clause 9.3.1 or 9.3.2 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

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

- 9.4.1 Upon a Change of Control Event occurring, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

The notice from the Issuer pursuant to Clause 11.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4.1.

- 9.4.2 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.

- 9.4.3 Any Notes repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained, sold or cancelled.

## **10. TRANSACTION SECURITY**

- 10.1 The Notes are unsecured.

## **11. INFORMATION TO NOTEHOLDERS**

### **11.1 Information from the Issuer**

- 11.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer/Group:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of the first interim half of its financial year, its unaudited consolidated financial statements for such period;
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
  - (d) any other information required by the Securities Trading Act and the rules and regulations of the Market Place on which the Notes are listed.
- 11.1.2 The Issuer shall immediately notify the Noteholders and the Representative upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- 11.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 11.1.1, the Issuer shall send copies of such financial statements and other information to the Representative, if such information is not made publicly available on the Issuer's web site or at the Market Place. When the financial statements are available, the Issuer shall submit to the Representative a compliance certificate (i) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, and (ii) attaching copies of any notices sent to the Market Place on which the Notes are listed. The compliance certificate shall be in a form agreed between the Issuer and the Representative.
- 11.1.4 The Issuer shall immediately notify the Representative (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Representative with such further information as it may reasonably request in writing following receipt of such notice. Should the Representative not receive such information, the Representative is entitled to assume that no such event or circumstance exists or can be expected to

occur, provided that the Representative does not have actual knowledge of such event or circumstance.

## **11.2 Information from the Representative**

- 11.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Representative in accordance with Clause 11.2.2, the Representative is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Representative may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 11.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 16 (*Decision by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Representative shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **11.3 Publication of Finance Documents**

- 11.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer/Group and the Representative.
- 11.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Representative during normal business hours.

## **12. UNDERTAKINGS**

### **12.1 General undertakings**

#### *12.1.1 Mergers and de-mergers*

The Issuer shall not, and shall procure that no Material Group Company 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 Material Group Company with any other person (other than a Group Company) if such merger, combination or reorganisation would have a Material Adverse Effect; or
- (b) any merger involving the Issuer where the Issuer is not the surviving entity or any liquidation of the Issuer; or
- (c) any demerger (or a corporate reorganisation having the same or equivalent effect) of the Issuer; or
- (d) any demerger (or a corporate reorganisation having the same or equivalent effect) of any Material Group Company if such demerger or reorganisation would have a Material Adverse Effect.

### 12.1.2 *Negative pledge*

(1) Except as provided under (2) below, the Issuer shall not, and shall procure that no Material Group Company will:

- (a) create or allow to subsist any Security over any of its assets or any guarantee in respect of any obligation of any person;
- (b) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or reacquired by any Group Company
- (c) sell, transfer or otherwise dispose of any of its receivables on recourse terms; or
- (d) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (e) enter into any other preferential arrangement having a similar effect,

in respect of items (b) to (e), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing or refinancing the acquisition of an asset.

(2) This Clause 12.1.2 does not apply to:

- (a) any netting or set-off arrangement entered into in the ordinary course of business of its banking arrangement for the purposes of netting debit and credit balances;
- (b) any customary netting or set-off right created in favour of a bank in the ordinary course of its banking arrangements, which arise under the relevant bank's general terms and conditions;
- (c) any payment or close out netting or set-off arrangement arising under hedging transactions entered into in the ordinary course of business;
- (d) any collateral arrangement created on standard terms in the ordinary cause of business in favor of a commodity trading market place where the Issuer conducts its ordinary business;
- (e) any collateral arrangement created on standard terms in the ordinary cause of business in favor of a TSO (Transmission System Operator).
- (f) any lien or other security interest arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any Group Company;
- (g) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (h) any Security provided by Energi Danmark Vind A/S for the financing (or refinancing of existing debt) incurred by Energi Danmark Vind A/S in connection with investment in wind turbines; and

- (i) any Security not permitted by paragraph (a) to (h) above, securing indebtedness the principal amount of which does not in aggregate exceed DKK 50,000,000 for the Group taken as a whole.

#### 12.1.3 *No Disposal*

The Issuer shall not, and shall procure that no Material Group Company will, sell, transfer or otherwise dispose of all or a substantial part of its assets (including shares or other securities in any person) or operations, unless such sale, transfer or disposal:

- (d) is carried out at fair market value on terms and conditions customary for such transactions; and
- (e) would not have a Material Adverse Effect.

#### 12.1.4 *Pari passu ranking*

The Issuer shall ensure that its payment obligations under the Finance Documents rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally

#### 12.1.5 *Arm's length transactions.*

The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.

#### 12.1.6 *Continuation of business*

The Issuer shall procure that no substantial change is made to the general nature and scope of the business from that carried on by the Group on the First Issue Date.

#### 12.1.7 *Compliance with laws*

The Issuer shall (and shall procure that each Material Group Company will) comply with all laws and regulations to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

#### 12.1.8 *Authorisations*

The Issuer shall (and shall procure that each Material Group Company will) obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business if a failure has or is reasonably likely to have a Material Adverse Effect.

### 12.2 **Incurrence test**

12.2.1 The Issuer shall not (and shall procure that no other Group Company) incur any Financial Indebtedness other than Permitted Indebtedness.

12.2.2 Notwithstanding Clause 12.2.1 the Issuer and such Group Company may incur Financial Indebtedness if the Incurrence Test is met (tested pro forma as if such Financial Indebtedness has been incurred).

- 12.2.3 The Incurrence Test is met if the Equity Ratio is at least 20 per cent. calculated in accordance with the calculation principles set out in Clause 12.2.4.
- 12.2.4 The calculation of the Incurrence Test shall be made based on the latest Financial Report or Interim Accounts (as the case may be).
- 12.2.5 The Issuer shall issue a compliance certificate that includes figures in respect of the Incurrence Test and the basis on which it has been calculated (a “**Compliance Certificate**”) to the Representative when (a) Financial Indebtedness is incurred in accordance with Clause 12.2.2 and (b) a Restricted Payment is made as set out in clause 12.3.2

### 12.3 Restricted payments

- 12.3.1 Except as provided under clause 12.3.2 the Issuer shall not (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem or reduce its share capital, (iv) make any distribution to the direct or indirect shareholder of the Issuer, (v) repay principal or pay interest under any shareholder loans ((i)–(v) above are together and individually referred to as a “**Restricted Payment**”).
- 12.3.2 Notwithstanding Clause 12.3.1 the Issuer may make a Restricted Payment if the Incurrence Test is met (tested pro forma as if such Restricted Payment had been made).

### 12.4 Admission for listing

- 12.4.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on First North Bond Market, Copenhagen operated by Nasdaq Copenhagen A/S within 4 (four) months after the First Issue Date, and that it remains admitted or, if such admission to listing is not possible to obtain or maintain, admitted for trading on another Market Place.
- 12.4.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission to trading at the Market Place as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Market Place and the Central Securities Depository, subsist.

### 12.5 Undertakings relating to the Representative Agreement

- 12.5.1 The Issuer shall, in accordance with the Representative Agreement:
- (a) pay fees to the Representative;
  - (b) indemnify the Representative for costs, losses and liabilities;
  - (c) furnish to the Representative all information requested by or otherwise required to be delivered to the Representative; and
  - (d) not act in a way which would give the Representative a legal or contractual right to terminate the Representative Agreement.
- 12.5.2 The Issuer and the Representative shall not agree to amend any provisions of the Representative Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.



### 13. ACCELERATION OF THE NOTES

13.1 The Representative is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Representative and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 13.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Representative determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Representative giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) the Issuer or a Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of the Issuer or a Material Group Company and is not discharged within twenty (20) Business Days;
- (f) (i) any Financial Indebtedness of the Issuer or a Material Group Company is not paid when due nor within any originally applicable grace period, or 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), (ii) any commitment for any Financial Indebtedness of the Issuer or a Material Group Company is cancelled or suspended by a creditor as a result of an event of default (however described), or (iii) any creditor of the Issuer or a Material Group Company becomes entitled to declare any Financial Indebtedness of the Issuer or a Material Group Company due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph 13 if



the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than DKK 10,000,000 (ten million);

- 13.2 The Representative may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Representative shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Representative received actual knowledge of that an Event of Default has occurred and is continuing. The Representative shall, within twenty (20) Business Days of the date on which the Representative received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Representative decides not to accelerate the Notes, the Representative shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Representative shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 13.4 If the Noteholders instruct the Representative to accelerate the Notes, the Representative shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Representative, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13 the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount plus accrued interest.

#### **14. DISTRIBUTION OF PROCEEDS**

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Representative:
- (a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to (a) the Representative in accordance with the Representative Agreement (other than any indemnity given for liability against the Noteholders), (b) the Issuing Agent and (c) to VP, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Representative, (iii) any costs incurred by the Representative for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.6, and (iv) any costs and expenses incurred by the Representative in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.13;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Representative receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Representative shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Representative shall make any payment under this Clause 14, the Issuer or the Representative, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the record date and the payment date in accordance with the procedures of the CSD and the amount to be paid.

## **15. THIS CLAUSE IS INTENTIONALLY LEFT BLANK**

## **16. DECISIONS BY NOTEHOLDERS**

- 16.1 A request by the Representative for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Representative) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Representative and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Representative and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Representative. The person requesting the decision may suggest the form for decision making, but if it is in the Representative's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.3 The Representative may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Representative that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- 16.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.
- 16.5 The following matters shall require the consent of Noteholders representing at least 2/3 of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (Redemption and repurchase of the Notes);
  - (d) a change to the Interest Rate or the Nominal Amount;
  - (e) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
  - (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
  - (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (h) a mandatory exchange of the Notes for other securities; and
  - (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)), an acceleration of the Notes,.
- 16.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Representative or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Representative, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Representative, under the Finance Documents shall be subject to the Issuer's or the Representative's consent, as appropriate.
- 16.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 16.13 All costs and expenses incurred by the Issuer or the Representative for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Representative, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Representative provide the Representative with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Representative shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 16.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer/Group and the Representative, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Representative, as applicable.

## **17. NOTEHOLDERS' MEETING**

- 17.1 The Representative shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.2 Should the Issuer want to replace the Representative, it may convene a Noteholders' Meeting in accordance with Clause 17.1 with a copy to the Representative. After a request from the Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 17.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 17.5 Without amending or varying these Terms and Conditions, the Representative may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Representative may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **18. WRITTEN PROCEDURE**

- 18.1 The Representative shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.
- 18.2 Should the Issuer want to replace the Representative, it may send a communication in accordance with Clause 18.1 to each Noteholder with a copy to the Representative.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. AMENDMENTS AND WAIVERS**

- 19.1 The Issuer and the Representative (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 19.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 19.3 The Representative shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the Central Securities Depository and each other relevant organisation or authority.
- 19.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Representative, as the case may be.

## **20. APPOINTMENT AND REPLACEMENT OF THE REPRESENTATIVE**

### **20.1 Appointment of Representative**

- 20.1.1 The Issuer has appointed the Representative as representative (in Danish *repræsentant*) for the Noteholders under Chapter 2a of the Securities Trading Act and by subscribing for Notes, each initial Noteholder accepts the appointment of the Representative to act as its representative in all matters relating to the Notes and the Finance Documents, and authorises the Representative to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder including without limitation any insolvency proceedings and/or reconstruction and including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Representative to act on its behalf.
- 20.1.2 Each Noteholder shall immediately upon request provide the Representative with any such documents, including a written power of attorney (in form and substance satisfactory to the Representative), that the Representative deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Representative is under no obligation to represent a Noteholder which does not comply with such request.



- 20.1.3 The Issuer shall promptly upon request provide the Representative with any documents and other assistance (in form and substance satisfactory to the Representative), that the Representative deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Representative 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 and the Representative Agreement and the Representative's obligations as Representative under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Representative may act as representative or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Representative**

- 20.2.1 The Representative shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, by monitoring the Issuer's compliance with its obligations under the Finance Documents. However, the Representative is not responsible for the execution or enforceability of the Finance Documents.
- 20.2.2 When acting in accordance with the Finance Documents, the Representative is always acting with binding effect on behalf of the Noteholders. The Representative shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill and in accordance with Chapter 2a in the Securities Trading Act.
- 20.2.3 The Representative is entitled to delegate its duties to other professional parties, but the Representative shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.4 The Representative shall act in the best interests of the Noteholders as a class towards the Issuer. The Representative shall treat all Noteholders equal, may not favour some Noteholders over other Noteholders and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders as a class 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.
- 20.2.5 The Representative shall ensure that the assets of the Noteholders are kept separately from the assets of the Representative.
- 20.2.6 The Representative is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Representative pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Representative reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Representative reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Representative from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).

- 20.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Representative 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.
- 20.2.8 If in the Representative's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Representative) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Representative may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 20.2.9 The Representative shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Representative under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2.8.

### **20.3 Limited liability for the Representative**

- 20.3.1 The Representative will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Representative shall never be responsible for indirect loss.
- 20.3.2 The Representative shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Representative or if the Representative has acted with reasonable care in a situation when the Representative considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 20.3.3 The Representative shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Representative to the Noteholders, provided that the Representative has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Representative for that purpose.
- 20.3.4 The Representative shall have no liability to the Noteholders for damage caused by the Representative acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 20.3.5 Any liability towards the Issuer which is incurred by the Representative in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **20.4 Replacement of the Representative**

- 20.4.1 Subject to Clause 20.4.6, the Representative may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Representative at a Noteholders' Meeting convened by the retiring Representative or by way of Written Procedure initiated by the retiring Representative.
- 20.4.2 Subject to Clause 20.4.6, if the Representative is Insolvent, the Representative shall be deemed to resign as Representative and the Issuer shall within ten (10) Business Days



appoint a successor Representative which shall be an independent financial institution or other reputable company which acts as representative under debt issuances.

- 20.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Representative and appointing a new Representative, including without limitation if the Representative has defaulted its obligations under the Finance Documents. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Representative be dismissed and a new Representative appointed.
- 20.4.4 If the Noteholders have not appointed a successor Representative within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Representative was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Representative which shall be an independent financial institution or other reputable company which regularly acts as representative under debt issuances.
- 20.4.5 The retiring Representative shall, at its own cost, make available to the successor Representative such documents and records and provide such assistance as the successor Representative may reasonably request for the purposes of performing its functions as Representative under the Finance Documents.
- 20.4.6 The Representative's resignation or dismissal shall only take effect upon the appointment and registration with the register kept by the Danish Financial Supervisory Authority of a successor Representative and acceptance by such successor Representative of such appointment and the execution of all necessary documentation to effectively substitute the retiring Representative.
- 20.4.7 Upon the appointment of a successor, the retiring Representative shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Representative. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Representative.
- 20.4.8 In the event that there is a change of the Representative in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Representative may reasonably require for the purpose of vesting in such new Representative the rights, powers and obligation of the Representative and releasing the retiring Representative from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Representative agrees otherwise, the new Representative shall be entitled to the same fees and the same indemnities as the retiring Representative.

## **21. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 The Issuer has entered into the VP Special Issuer Agreement under which the Issuing Agent will manage certain tasks relating to the Notes.

- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer in accordance with the VP Special Issuer Agreement. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **22. NO DIRECT ACTIONS BY NOTEHOLDERS**

- 22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*rekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- 22.2 Clause 22.1 shall not apply if the Representative has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Representative under the Finance Documents or by any reason described in Clause 20.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.9 before a Noteholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event*) or other payments which are due by the Issuer to some but not all Noteholders.

## **23. PRESCRIPTION**

- 23.1 Claims against the Issuer for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act (*forældelsesloven*, consolidated act no. 1238 of 9 November 2015 as amended from time to time) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.

## **24. NOTICES AND PRESS RELEASES**

### **24.1 Notices**

- 24.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Representative, shall be given at the address registered in the register of representatives with the Danish Financial Supervisory Authority on its website [www.finanstilsynet.dk](http://www.finanstilsynet.dk) on the Business Day prior to dispatch or any successor website;
  - (b) if to the Issuer, shall be given at the address registered with the Danish Business Authority on the Business Day prior to dispatch or any successor website; and

- (c) if to the Noteholders, shall be given at their addresses as registered with the Central Securities Depository, on the Record Date prior to dispatch provided, that any notice from the Representative to the Noteholders may be given solely by way of press release and following the listing of the Notes in accordance with the rules of the relevant Market Place. A notice to the Noteholders shall also be published on the websites of the Issuer/Group and the Representative.

24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1.

24.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 24.2 Press releases

24.2.1 Any notice that the Issuer or the Representative shall send to the Noteholders pursuant to Clauses 9.3 (*Early redemption due to illegality or tax event*), 11.1.2, 13.3, 16.15, 17.1, 18.1 and 19.3 shall also be published by way of press release by the Issuer or the Representative, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Notes or the Issuer/Group contained in a notice the Representative may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Representative shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Representative considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Representative shall be entitled to issue such press release.

## 25. FORCE MAJEURE AND LIMITATION OF LIABILITY

25.1 Neither the Representative nor the Issuing Agent shall be held responsible for any damage arising out of any breakdown of/lack of access to IT systems or damaged data in such systems, failure in the electricity supply or telecommunications, legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, , natural disaster, insurrections, civil commotion, sabotage, terrorism, vandalism (including computer virus and hacking) or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Representative or the Issuing Agent itself takes such measures, or is subject to such measures.

25.2 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it unless directly caused by its negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect loss.

25.3 Should a Force Majeure Event arise which prevents the Representative or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Securities Trading Act which provisions shall take precedence.

**26. GOVERNING LAW AND JURISDICTION**

26.1 These Terms and Conditions shall be governed by and construed in accordance with the laws of Denmark.

26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Copenhagen (*Københavns Byret*).

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

Place:

Date:

**ENERGI DANMARK A/S**  
as Issuer

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Name:

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Name:

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

Place:

Date:

**NORDIC TRUSTEE A/S**  
as Representative

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Name: