



## 2.86% Thon Holding AS Senior Secured Open Bond Issue 2017/2027

### Terms:

#### Documentation:

The Loan Agreement <sup>1)</sup> is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, listing document. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

#### Relevant places:

www.olavthon.no

#### Issuer:

Thon Holding AS

#### Borrowing Limit – Tap Issue:

NOK 1,200,000,000

#### First Tranche / Loan Amount : <sup>2)</sup>

NOK 700,000,000

#### Disbursement Date: <sup>3)</sup>

1 November 2017

#### Maturity Date: <sup>4)</sup>

1 November 2027

#### Coupon Rate:

2.86% p.a.

#### Yield on Disbursement Date:

2.86% p.a.

#### Day Count Fraction– Coupon: <sup>5)</sup>

30/360

#### Coupon Date(s): <sup>6)</sup>

1 November each year

#### Interest accrual date:

Disbursement Date

#### Date until which interest accrues:

Maturity Date

#### Status of the loan: <sup>7)</sup>

The Bonds are secured by first priority mortgage.

#### Issue Price: <sup>8)</sup>

100 per cent

#### Denomination:

NOK 1,000,000,000

#### Bondholder's put option: <sup>9)</sup>

<b>Redemption Date(s):</b>	On certain conditions, see Special (distinct) conditions	<b>Price:</b>	100%
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#### Issuer's call option: <sup>10)</sup>

<b>Redemption Date(s):</b>	Date(s)	<b>Price:</b>	Corresponding price
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#### Issuer's org. number:

NO 938 050 287

#### Number / Codes:

<b>Sector code:</b>	2100	<b>Geographic code:</b>	0301	<b>Industry (trade) Code:</b>	55101
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#### Usage of funds:

General Corporate Purposes

#### Approvals / Permissions:

- The listing document has been inspected by Oslo Børs
- The bonds have been issued in accordance with the issuer's board approval dated 20 October 2017

#### Trustee:

Nordic Trustee ASA, Postboks 1470 Vika, 0116 Oslo

#### Arranger(s):

Danske Bank, Norwegian Branch, Bryggetorget 4, NO-0107 Oslo, Norway

#### Paying Agent:

Danske Bank, Norwegian Branch, Bryggetorget 4, NO-0107 Oslo, Norway

#### Securities Depository:

The Norwegian Central Securities Depository ("VPS").

#### Market Making:

No market-maker agreement has been entered into for this bond issue.

#### Special (distinct) conditions:

*Exercise of Put*

Upon the occurrence of a Put Event, and subject to the terms of the Intercreditor Agreement, each Bondholder shall have the right to demand early redemption of its Bonds at a price of 100% of Face

Value plus accrued interest.

The Put must be exercised by the Bondholders within 15 Business Days after the Issuer notified the Bondholders of a Put Event. Such notification shall be given as soon as possible and in any event within two (2) Business Days after a Put Event has taken place. The Put may be exercised by the Bondholders by giving written notice of the request to its account manager. The account manager shall notify the Paying Agent of the pre-payment request. The settlement of the Put shall take place within 18 Business Days of the Issuer's notice.

*Put Event*

Each of the following event:

- (i) a Sale where Cash for Sale Security is deposited,
- (ii) a Refinancing where Cash for Refinancing Security is deposited (and where the Put Option will only apply to holders of the Secured Debt to be refinanced).

*Covenants:*

See Bond Agreement clause 3.5 and Clause 4.7 Information covenants

*Events of default*

See Bond Agreement clause 3.9

*Clarifications and definitions*

See Bond Agreement clause 2

**Supplementary information about status of the loan: <sup>7)</sup>**

*Status*

The Issuer's Bond Obligations shall rank ahead of all subordinated payment obligations of the Issuer and shall rank at least pari passu with all the Issuer's other obligations, save for obligations which are mandatorily preferred by law.

*Security*

The Bonds shall be secured on first priority by the Joint Security.

The Joint Security shall secure (i) the Bond Obligations and (ii) the Additional Loan Obligations, on a joint and pro rata basis among the Secured Creditors, as further provided for in the Intercreditor Agreement.

The Issuer shall, prior to any Additional Loan being established, ensure that the relevant Secured Creditors accede to the Intercreditor Agreement.

In the event of a Sale, the Issuer shall have the Mortgage Property released from the Mortgage, against providing:

- (i) New Mortgage Security acceptable to the Bondholders and/or any Additional Lenders representing at least 50% (fifty percent) of the Secured Debt in accordance with the procedures described in the Intercreditor Agreement, or
- (ii) in the event the New Mortgage Security is not accepted by the Bondholders and/or any Additional Lenders, a Cash for Sale Security. Such amount shall be paid in cash to the Cash for Sale Security

Account and serve as Joint Security for the Secured Debt.

In the calendar period of three months before a Refinancing, the Issuer may have the right to exclude such principal and the interest accrued thereon from the cover under the Mortgage(s), against providing Cash for Refinancing Security. Such amount shall be paid in cash to the Cash for Refinancing Security Account and serve as the sole and exclusive security for this debt only.

*Joint Security*

The joint security securing the Secured Debt, including:

- (a) the Mortgages (with insurances); and
- (b) if applicable, the New Mortgage Security, or the Cash for Sale Security

*Mortgages*

The first priority mortgage over the Mortgage Property in favour of the Bond Trustee as security agent (on behalf of the Secured Creditors), securing the Secured Debt with a maximum secured amount equal to the Total Principal Amount.

*Mortgage Property*

The real estate property ("Strømmen Storsenter") with land number 77, title number 42, title number 110 section numbers 107 and title number 1574 in the municipality of Skedsmo.

*Incurrence Test*

The Issuer shall ensure that during the term of the Bond Issue, the aggregate principal amount

outstanding under the Secured Debt in aggregate shall not exceed the lowest of (i) the Total Principal Amount and (ii) 65 percent of the Market Value when the Additional Loan and/or any Tap Issues under this Issue is assumed (the "Incurrence Test"). The Incurrence Test shall be based on a Market Value dated no earlier than 90 Business Days prior to the Incurrence Test.

The Total Principal Amount is initially set to NOK 5,000,000,000. If the amount which constitutes 65 percent of the Market Value should exceed the Total Principal Amount, the Issuer shall have the right to increase Total Principal Amount and to notify the Land Registry that the Mortgages shall reflect that increase. The Issuer shall have the right to decrease the Total Principal Amount provided the total amount of Secured Debt does not exceed such decreased Total Principal Amount.

Most recent valuation of Strømmen Storsenter, Støperiveien 5, 2010 Strømmen, Gnr 77, Bnr 42/1574 in Skedsmo kommune from NEWSEC states a market value per 8 August 2017 of NOK 4,520,000,000.

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<b>Standard terms:</b>	<i><u>If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.</u></i>
<b>Loan Agreement:</b> <sup>1)</sup>	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement.
	When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
<b>Open / Close:</b> <sup>3) 4)</sup>	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.
<b>Disbursement date:</b> <sup>3)</sup>	Payment of the First Tranche / Loan Amount takes place on the Disbursement Date. In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
<b>Expansions – Tap Issues:</b> <sup>2)</sup>	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount, before the initial Disbursement Date. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
<b>Issue price – Tap Issues:</b> <sup>8)</sup>	Any taps under the Tap Issue will be made at market prices.
<b>Interest Period:</b> <sup>6)</sup>	The interest rate is paid in arrears on the Coupon Date. The first coupon is paid on the first coupon date after Disbursement Date. The subsequent period runs from this date until the next Coupon date. Last Coupon date corresponds to Maturity Date.
<b>Standard Business Day Convention:</b> <sup>5)</sup>	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, with the exception of periods where <ol style="list-style-type: none"><li>the last day in the period is the 31<sup>st</sup> calendar day, and the first day of the period is neither the 30<sup>th</sup> nor the 31<sup>st</sup> of the month, in which the month containing the period shall not be reduced to 30 days; or</li><li>the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.</li></ol> Coupon date will not be moved even if it is on a day that is not a banking day. If Coupon Date is not a banking day, payments will be made on the following banking day.
<b>Accrued interest:</b>	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening.
<b>Condition – Bondholder's put option:</b> <sup>9)</sup>	Exercise of Put shall be notified by the Bondholder to its Securities Register agent no later than the last Business Day before the end of the Put Period, and the settlement of the Put shall take place the fifth Business Day after the end of the Put Period.
<b>Condition – Issuer's call option:</b> <sup>10)</sup>	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
<b>Registration:</b>	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account in the Securities Depository.
<b>Issuer's acquisition of bonds:</b>	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
<b>Amortisation:</b> <sup>4)</sup>	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.

- Redemption:** Matured interest rate and matured principal will be credit each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
- Sale:** Tranche 1/ Loan amount has been sold by the Arranger. Later taps can take place by authorized securities brokers.
- Legislation:** Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee's competent legal venue.
- Fees and expenses:** Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.  
The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.



*Oslo 30.10.2017*

