

**[Date]<sup>1</sup>. 2021**

**HEIMSTADEN AB (publ) (GUARANTOR)**

and

**A/F HEIM SLHF. (LENDER)**

**UNCONDITIONAL GUARANTEE AND INDEMNITY  
IN RELATION TO THREE LOAN AGREEMENTS**

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<sup>1</sup> Samningur verður dags. eigi síðar en 3 dögum fyrir uppgjör viðskipta við fjárfesta.

This guarantee is dated [DATE]<sup>2</sup> 2021.

## Parties

- (1) Heimstaden AB (publ), incorporated and registered in Sweden with company number 556670-0455 whose registered office is at Östra Promenaden 7 A, 211 28 Malmö, Sweden as guarantor and indemnifier (the “**Guarantor**”);
- (2) A/F HEIM slhf., incorporated and registered in Iceland with company number 490321-0120 whose registered office is at Katrinartun 2, 105 Reykjavik, Iceland (the “**Lender**”); and

## BACKGROUND

- (A) The Lender has submitted an offer to all bondholders who own bonds in the following classes of bonds (collectively the “**Original Bonds**”):
  - (1) HEIMA071225 (ISIN: IS0000030799) (“**HEIMA25**”);
  - (2) HEIMA100646 (ISIN: IS0000027381) (“**HEIMA46**”); and
  - (3) HEIMA071248 (ISIN: IS0000030807) (“**HEIMA48**”).
- (B) Payment by the Lender to the bondholders who own the Original Bonds (the “**Investors**”) will be in the form of three separate classes of new bonds (one for each of HEIMA25, HEIMA48 and HEIMA46), which will be listed on the Icelandic Stock Exchange within six months of their issuance (the “**Listed Bonds**”).
- (C) Directly after the acquisition by the Lender of the Original Bonds, Heimstaden ehf., incorporated and registered in Iceland with company number 440315-1190, whose registered office is at Lágmúli 6, 108 Reykjavík, Iceland (“**Borrower**”), intends to purchase all the Original Bonds from the Lender through entry into three different loans whereby the Lender lends to the Borrower an aggregate amount under the loan agreements corresponding to the total principal amount of the Listed Bonds (the “**Loan Agreements**”):
  - (1) the loan agreement entered into as payment for bonds in HEIMA25 will be in the form as set out in Schedule 1;
  - (2) the loan agreement entered into as payment for bonds in HEIMA48 will be in the form set out in Schedule 2;
  - (3) the loan agreement entered into as payment for bonds in HEIMA46 will be in the form set out in Schedule 3,

where the total aggregate principal amount under the Loan Agreements as at their execution will amount to ISK [•]<sup>3</sup>.

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<sup>2</sup> Samningur verður dags. eigi síðar en 3 dögum fyrir uppgjör viðskipta við fjárfesta.

<sup>3</sup> Endanleg, samanlögð, fjárhæð lánessamninga verður uppreiknuð m.v. uppgjörsdag.

- (D) As a condition precedent to the Loan Agreements the Lender has required that the Guarantor agrees to enter into this guarantee. This guarantee will however only come into effect upon the debt under the Loan Agreements having actually been incurred.

## **Agreed terms**

### **1. Definitions and interpretation**

#### 1.1 Definitions

The following definitions apply in this guarantee.

**Beneficiaries:** the Lender and/or any subsequent legal owner of the claims (by way of assignment, succession or transfer of title through Security enforcement or otherwise) which constitute the Guaranteed Obligations.

**Borrower:** has the meaning given in preamble (C).

**Business Day:** a day other than a Saturday, Sunday or public holiday in Iceland when banks in Reykjavík are open for business.

**Guaranteed Obligations:** all present and future payment obligations and liabilities of the Borrower due, owing or incurred under the Loan Agreements to the Lender (including, without limitation, under any amendment, supplement or restatement of the Loan Agreements, or in relation to any new or increased advances or utilisations) or any subsequent transferee under the Loan Agreements by way of enforcement of Security or otherwise.

**HEIMA25:** has the meaning given in preamble (A).

**HEIMA46:** has the meaning given in preamble (A).

**HEIMA48:** has the meaning given in preamble (A).

**Investors:** has the meaning given in preamble (B).

**Listed Bonds:** has the meaning given in preamble (B).

**Loan Agreements:** has the meaning given in preamble (C).

**Original Bonds:** has the meaning given in preamble (A).

**Rights:** any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

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

**Tax:** all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of Iceland or any other jurisdiction and any penalty, fine, surcharge, interest, charges or costs relating to them.

**Warranties:** the representations and warranties set out in Schedule 4.

## **2. Guarantee and indemnity**

- 2.1 Subject to the effectiveness set out in Clause 2.3 and as consideration for the Lender accepting the payment of the purchase price for the Original Bonds through entry into the Loan Agreements, the Guarantor guarantees to the Beneficiaries, whenever the Borrower does not pay any of the Guaranteed Obligations when due, to pay on demand the Guaranteed Obligations.
- 2.2 Subject to the effectiveness set out in Clause 2.3, the Guarantor as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under clause 2.1 agrees to indemnify and keep indemnified the Beneficiaries in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands and expenses reasonably incurred by the Beneficiaries arising out of, or in connection with, the Guaranteed Obligations not being recoverable for any reason or any failure of the Borrower to perform or discharge any of its obligations or liabilities in respect of the Guaranteed Obligations.
- 2.3 The guarantee and indemnity under this guarantee will become automatically effective concurrently with the debt under the Loan Agreements having actually been incurred.

## **3. Lender protections**

- 3.1 Subject to the effectiveness set out in Clause 2.3, the guarantee is and shall at all times be a continuing security and shall cover the ultimate balance from time to time owing to the Beneficiaries by the Borrower in respect of the Guaranteed Obligations.
- 3.2 The liability of the Guarantor under this guarantee shall not be reduced, discharged or otherwise adversely affected by:
- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Guaranteed Obligations;
  - (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Beneficiaries may now or after the date of this guarantee have from or against any of the Borrower and any other person in connection with the Guaranteed Obligations;
  - (c) any act or omission by the Beneficiaries in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Borrower or any other person;
  - (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations including without limitation any extension of the Guaranteed Obligations;
  - (e) any grant of time, indulgence, waiver or concession to the Borrower or any other person;

- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution or name of the Borrower or Lender;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Borrower or any other person in connection with the Guaranteed Obligations;
- (h) any claim or enforcement of payment from the Borrower or Lender;
- (i) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor; or
- (j) any other act or omission except an express written release of the Guarantor by the Beneficiaries.

3.3 The Beneficiaries shall not be obliged, before taking steps to enforce any of its rights and remedies under this guarantee, to:

- (a) take any action or obtain judgment in any court against the Borrower or any other person;
- (b) make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
- (c) make, demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person.

3.4 The Guarantor warrants to the Beneficiaries that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Guarantor under this guarantee but:

- (a) if any of the Rights is taken, exercised or received by the Guarantor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Guarantor as agent for the Beneficiaries for application in or towards the discharge of the Guaranteed Obligations under this guarantee; and
- (b) on demand by the Beneficiaries, the Guarantor shall promptly transfer, assign or pay to the Beneficiaries all other Rights and all monies from time to time held by the Guarantor as agent under this clause 3.4.

3.5 This guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, Security, right or remedy obtained or held by the Beneficiaries from time to time for the discharge and performance of the Borrower of the Guaranteed Obligations.

#### **4. Representations and warranties**

The Guarantor represents and warrants that the Warranties are true and correct on the date of this guarantee.

## **5. Release and discharge**

- 5.1 When all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full, the Guarantor is automatically released from its obligations under this guarantee and indemnity.

## **6. Payments**

- 6.1 All sums payable by the Guarantor under this guarantee shall be paid in full to the Beneficiaries in the currency in which the Guaranteed Obligations are payable:
- (a) without any set-off, condition or counterclaim whatsoever; and
  - (b) free and clear of any deduction or withholding whatsoever except as may be required by law or regulation which is binding on the Guarantor.
- 6.2 If the Guarantor is required to make any deduction or withholding by any law or regulation from any payment due under this guarantee, the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- 6.3 Following any deduction or withholding, or any payment required in connection with that deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the Beneficiaries evidence reasonably satisfactory to the Beneficiaries that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).
- 6.4 The Guarantor shall not and may not direct the application by the Beneficiaries of any sums received by the Beneficiaries from the Guarantor under any of the terms of this guarantee.

## **7. Transfer**

- 7.1 The Guarantor may not assign any of its rights and may not transfer any of its obligations under this guarantee or enter into any transaction which would result in any of those rights or obligations passing to another person, except that the Guarantor may and shall seek to, by notification to the Beneficiaries and without the Beneficiaries prior consent, transfer all rights and obligations of the Guarantor under this guarantee to Heimstaden Bostad AB, incorporated and registered in Sweden with company number 556864-0873 whose registered office is at Östra Promenaden 7 A, 211 28 Malmö, Sweden, if (and currently with) the Guarantor's indirect or direct ownership of all of the shares in the Borrower is transferred to Heimstaden Bostad AB. The Guarantor undertakes to initiate a dialogue with the other owners of Heimstaden Bostad AB on a transfer of the Borrower (including obligations under this guarantee) to Heimstaden Bostad AB as soon as reasonably practicable after the date hereof.

## **8. Remedies, waivers, amendments and consents**

- 8.1 No amendment of this guarantee shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).
- 8.2 A waiver of any right or remedy under this guarantee or by law, or any consent given under this guarantee, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 8.3 A failure or delay by a party to exercise any right or remedy provided under this guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this guarantee. No single or partial exercise of any right or remedy provided under this guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this guarantee by the Lender shall be effective unless it is in writing and signed.
- 8.4 The rights and remedies provided under this guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

## **9. Severance**

If any provision (or part of a provision) of this guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this guarantee.

## **10. Counterparts**

- 10.1 This guarantee may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one guarantee.
- 10.2 Transmission of an executed counterpart of this guarantee by e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this guarantee. If either method of delivery is adopted, without prejudice to the validity of the guarantee thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 10.3 This guarantee shall be published for the benefit of the Lender's creditors on the Lender's website, for information purposes.

## 11. Notices

### 11.1 Delivery

Any notice or other communication given to a party under or in connection with this guarantee shall be:

- (a) in writing;
- (b) delivered by hand by pre-paid first-class post or other next working day delivery service or sent by email; and
- (c) sent to:
  - (i) the Guarantor at:  
Östra Promenaden 7 A,  
211 28 Malmö,  
Sweden  
Email: [adam.lindh@heimstaden.com](mailto:adam.lindh@heimstaden.com) and [jacob.thulesius@heimstaden.com](mailto:jacob.thulesius@heimstaden.com)  
Attention: Adam Lindh and Jacob Thulesius
  - (ii) the Lender at:  
Katrínartún 2,  
105 Reykjavík  
Iceland  
Email: [heimstaden@arctica.is](mailto:heimstaden@arctica.is)  
Attention: Valdimar Ármann

or to any other address or email as is notified in writing by one party to the other from time to time.

### 11.2 Receipt

Any notice or other communication given under or in connection with this guarantee shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by email, on the date sent in legible form.

A notice or other communication given as described in clause 11.2(a) or clause 11.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be



deemed to have been received on the next Business Day. For the purposes of this clause, all references to time are to local time in the place of deemed receipt.

- 11.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

## **12. Governing law and jurisdiction**

### **12.1 Governing Law**

- 12.2 This guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the laws of Iceland.

- 12.3 The Guarantor irrevocably consents to any process in any proceedings under clause 13 being served on it in accordance with the provisions of this guarantee relating to service of notices. Nothing contained in this guarantee shall affect the right to serve process in any other manner permitted by law.

### **13. Jurisdiction**

Each party irrevocably agrees that, subject as provided below, the courts of Iceland shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this guarantee or its subject matter or formation. Nothing in this clause shall limit the right of the Beneficiaries to take proceedings against the Guarantor in any other court of competent jurisdiction, including the Guarantor's jurisdiction of incorporation, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This document has been executed on the date stated at the beginning of it in two originals, one for each party.

**Schedule 1 [Form of Loan Agreement]**

**Schedule 2 [Form of Loan Agreement]**

**Schedule 3 [Form of Loan Agreement]**

## **Schedule 4 Representations and warranties**

### **1. Due incorporation**

The Guarantor:

- (a) is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and
- (b) has the power to own its assets and carry on its business as it is being conducted.

### **2. Powers**

The Guarantor has the power to execute, deliver and perform its obligations under this guarantee.

### **3. Non-contravention**

The execution, delivery and performance of the obligations in this guarantee does not and will not contravene any of the Guarantor's constitutional documents, any agreement or instrument binding on the Guarantor or its assets, or any applicable law or regulation.

### **4. Binding obligations**

The Guarantor's obligations under this guarantee are, subject to any general principles of law limiting obligations, legal, valid, binding and enforceable.

### **5. Assets not immune to action**

None of the Guarantor's assets is entitled to immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement).

### **6. No default**

No event or circumstance is outstanding which constitutes a default under any deed or instrument which is binding on the Guarantor, or to which its assets are subject, which might have a material adverse effect on the Guarantor's ability to perform its payment obligations under this guarantee.

### **7. Ranking of obligations**

The Guarantor's payment obligations under this guarantee rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

**8. Governing law**

The choice of Icelandic law as the governing law of this guarantee will be recognised and enforced in the Guarantor's jurisdiction of incorporation and any judgment obtained in Iceland in relation to this guarantee will be recognised and enforced in that jurisdiction.

**SIGNATURE PAGE FOR GUARANTEE**

**Guarantor**  
**Heimstaden AB (publ)**  
Name:  
Position:  
Signature:

**Lender**  
**A/F HEIM slhf.**  
Name:  
Position:  
Signature: