



MILlicom INTERNATIONAL CELLULAR S.A.

Prospectus regarding admission to trading of

SEK 2,000,000,000

SENIOR UNSECURED FLOATING RATE NOTES DUE 2019

ISIN: SE0008242986

IMPORTANT INFORMATION

This prospectus (this "**Prospectus**") has been prepared by Millicom International Cellular S.A. ("**MIC S.A.**" or, together with its direct and indirect subsidiaries unless otherwise is indicated by the context, "**Millicom**" or the "**Group**"), in relation to the application for listing of the SEK 2,000,000,000 Senior Unsecured Floating Rate Notes due 2019 with ISIN SE0008242986 (the "**Notes**") on the corporate bond list on the Nasdaq Stockholm stock exchange in Stockholm, Sweden, Swedish Reg. No. 556112-8074 ("**Nasdaq Stockholm**"). Nordea Bank AB (publ) and DNB Bank ASA, Sweden Branch, have acted as joint bookrunners (and together with their respective affiliates, the "**Joint Bookrunners**") in connection with the issue of the Notes.

This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. *lag* (1991:980) *om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Directive**"). This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law, and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

Certain financial and other numerical information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. In this Prospectus, all references to "**U.S. dollars**", "**dollars**" or "**\$**" are to the lawful currency of the United States of America, all references to "**SEK**" refer to Swedish krona, the legal currency of Sweden.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of listing the Notes on the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any jurisdiction where such distribution would require any additional prospectus, registration or additional measures other than those required under Swedish law, or which would otherwise conflict with the applicable rules and regulations in such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only outside the United States to purchasers who are not, or are not purchasing for the account or benefit of, U.S. persons, in reliance on Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be provided, they must not be relied upon as having been authorised or approved by MIC S.A., and MIC S.A. assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in MIC S.A.'s or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- a) have adequate knowledge and experience to make a meaningful evaluation of (i) the Notes, (ii) the merits and risks of investing in the Notes and (iii) the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to assume all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- d) understand thoroughly the terms and conditions governing the rights and obligations with respect to the Notes which are set out in "*Terms and Conditions*", and be familiar with the behaviour of any relevant indices and financial markets; and
- e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to assume the applicable risks.

Forward Looking Statements and market data

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of MIC S.A.'s management and of the board of directors or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although MIC S.A. believes that the forecast of, or indications of, future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances and achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. For examples of significant factors, see "*Risk Factors*".

These forward-looking statements speak only as at the date of this Prospectus. MIC S.A. expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

The Group operates in countries in which it is difficult to obtain precise market and industry information. Market and industry information and data contained in this Prospectus have generally been extracted from a number of sources including regulatory reports, reports from competitors and industry analytical services, such as TeleGeography, Buddecomm and Ovum, that MIC S.A. believes to be reliable. Although MIC S.A. regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. MIC S.A. does, however, accept responsibility for the correct reproduction of this information and, as far as it is aware and is able to ascertain from information published, no facts have been omitted that would render the reproduced information inaccurate or misleading. In addition, this Prospectus may contain statements regarding the Group's industry and position in the industry based on the Group's experience and the Group's own investigation of market conditions. There can be no assurance any of these assumptions are accurate or correctly reflect its position in the industry, and none of the Group's internal surveys or information have been verified by independent sources.

TABLE OF CONTENTS

RISK FACTORS	1
STATEMENT OF RESPONSIBILITY	16
THE NOTES IN BRIEF	17
BUSINESS DESCRIPTION	23
DESCRIPTION OF THE GROUP	25
HISTORICAL FINANCIAL INFORMATION	34
LEGAL AND SUPPLEMENTARY INFORMATION	35
TERMS AND CONDITIONS	40
ADDRESSES.....	93

RISK FACTORS

Investing in the Notes involves a degree of risk. There are risks both regarding circumstances linked to MIC S.A. and the Group and those which bear no specific relation to MIC S.A. or the Group. Investors should carefully consider the following presentation of risk factors before making any investment decision. These risk factors should be read in conjunction with the Group's 2015 Annual Report, which is incorporated into this Prospectus by reference. See "Historical Financial Information—Documents Incorporated by Reference". The occurrence of any of the events described below could adversely affect MIC S.A.'s and/or the Group's operations, financial position and results of operations. Moreover, the trading price of the Notes could decline and MIC S.A. may not be able to pay interest or principal on the Notes when due, and investors could lose all or part of their investment. The risks described below are not the only risks to which MIC S.A. and the Group are exposed. Additional risks that are not currently known to MIC S.A., or that MIC S.A. currently considers to be immaterial, could have an adverse effect on MIC S.A.'s and the Group's business and MIC S.A.'s ability to fulfil its obligations under the Notes. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

Risks relating to the Group's business and the telecommunications and media industry

High mobile penetration rates could inhibit growth opportunities.

Most of the markets in which the Group operates have high mobile penetration rates. In most of the Group's Latin American markets, mobile penetration is close to or in excess of 100 per cent. There is a risk that high penetration rates could lead to a slowdown in growth and the intensification of pricing pressures on all of the Group's mobile services, which could adversely affect the Group's future profitability and return on its investments.

The Group faces intense competition from other telecommunications providers.

The markets in which the Group operates are competitive in nature, and competition in those markets is expected to remain high. The Group's main competitors in its Mobile business are America Móvil (Claro), Bharti (Airtel), Vodafone and Telefónica; and its main competitors in its Home business are America Móvil (Claro) and smaller, local operators. The Group's main Mobile competitors have substantially greater access to capital, and in some mobile markets, greater area coverage. In the markets in which the Group operates, mobile telecommunications operators compete for customers principally on the basis of price, services offered, advertising and brand image, quality and reliability of service and area coverage. As voice, SMS and data services are largely commoditised, there is significant price competition for these services, resulting in pricing pressure, reduced margins and profitability, increased customer churn, and in some markets, the loss of revenue and market share, which could adversely affect the Group's business, financial condition and results of operations.

Some markets in which the Group operates may be oversaturated and additional licenses may be awarded in already competitive markets. The advent of new competitors or more competitive product offerings by existing competitors could entice the Group's customers to switch to another operator. Because most of the Group's customers are 'prepaid' customers, they have the flexibility to switch operators at any time without incurring a monetary penalty. Additionally, regulators are increasingly mandating mobile number portability, which removes a disincentive to changing providers and could reduce the Group's customer numbers. In addition, the emergence of new entrants with Voice over Internet Protocol ("VoIP") offerings for both voice and instant messaging, and the convergence of social media and search products or other Over-The-Top ("OTT") content services further increases competitive risks. The Group's cable TV services in all of its markets compete with other satellite services that may offer a greater range of channels to a larger audience, reaching a wider area distribution (especially in rural areas) and at lower prices. The Group faces competition from satellite distribution of free-to-air television programming, which viewers can receive by purchasing a satellite

dish and a set-top box without any physical cabling. Failure to compete effectively and match or mitigate competitors' strategies, or aggressive pricing or customer acquisition behaviour by competitors, including mobile virtual network operators ("MVNOs") and resellers in Latin America, could have an adverse effect on the Group's business, financial condition and results of operations.

The Group's mobile revenue sources are short-term in nature.

Prepaid customers, who pay for service in advance through the purchase of wireless airtime or data access, represented a substantial majority of the Group's Mobile customers in 2015. Prepaid customers, who do not sign service contracts, are more likely than postpaid customers, who generally sign service contracts, to switch mobile operators and to take advantage of promotional offers by other operators. Many of the Group's Mobile customers also subscribe to short-term data packages of one day to one week. As a result, there is a risk that prepaid customers or short-term data package customers will stop using the Group's services in the future, which makes the Group's future revenue expectations unpredictable, and could have an adverse effect on the Group's results of operations.

Migration between mobile operators and average revenue per user ("ARPU") sharing can negatively impact the Group's churn and revenue and profitability.

The Group's customers have a tendency to migrate among mobile operators. To the extent competitors offer incentives to switch operators, such as by eliminating connection fees or subsidising or giving away handsets, the risk of churn increases. The Group's home customers also may migrate between operators. Some competitors in the Group's home markets offer free or subsidised equipment to incentivise customers to switch operators and tie in customers to longer contracts, making it difficult to subsequently switch operators. An inability to retain existing customers and manage churn levels could cause short-term adverse revenue impacts or higher costs for marketing, brand-recognition and customer retention, which could have an adverse effect on the Group's business, financial condition and results of operations.

ARPU sharing is also common in many of the mobile markets in which the Group operates with many standard phones having dual SIM capability: this is the use by a prepaid customer of SIM cards from multiple providers to avoid paying higher prices for calls made to numbers outside the relevant network. ARPU sharing has negatively affected the Group's voice revenue, but has not historically impacted data revenue to the same extent because many of the Group's data applications cannot readily be used on other operators' platforms. If the Group is unable to develop strategies to retain its position as the primary or sole provider to its customers, the Group could lose a larger percentage of revenue due to ARPU sharing. There is a risk that ARPU sharing could increase, which could have an adverse effect on the Group's business, financial condition and results of operations.

Rapid technological change and evolving industry standards could harm the Group's competitive position.

The telecommunications industry is characterised by rapidly changing technology and evolving industry standards. The Group's success depends on its ability to adapt to the changing technological landscape. The technologies utilised today may become obsolete or subject to competition from new technologies in the future. For example, revenue from data services has increasingly cannibalised revenue from SMS services, which previously represented a significant proportion of the Group's total revenue. There is a risk that 3G services may become obsolete when appropriate devices become available and affordable for the Group's customers and those customers upgrade from 3G to 4G services and, eventually, 5G services, adversely affecting the Group's business, financial condition and results of operations.

The Group has 2G, 3G and 4G-enabled networks in all of its Mobile markets and provide 4G services in 7 of its 11 Mobile markets (in April 2016, the Group sold its operations in the Democratic Republic of Congo (the DRC) to Orange. Developing a 4G network requires significant financial investments, including investments in equipment, operational licenses, spectrum acquisition and renewals

(including 4G). MIC S.A. also expects to face future competition from networks that provide faster, higher quality data transfer and streaming capability on 4G networks and, eventually, 5G networks. Remaining competitive requires increased investment in technology upgrades and implementing 4G and 5G technology may require additional or supplemental licenses, which the Group may not be able to acquire on reasonable terms or at all. A failure to obtain such licenses could adversely affect the Group's business prospects, financial condition and results of operations.

Customers expect that the Group will regularly introduce more sophisticated telecommunications, internet and cable services, such as VoIP, 3D TV, LTE, location-based services, controllable cable content such as video on demand, social networking services, premium content and high speed data services, including streaming audio, streaming video, mobile gaming, advertisement paid services, video conferencing and other applications, particularly in the Group's Latin American markets. Customers also expect premium content at a reasonable price, and the Group's ability to secure premium content rights, especially football broadcast rights, at a commercially reasonable cost will be key to the Group's customer retention and competitive position in some of its markets. Attracting and retaining customers depends on the Group's ability to meet customer demand for new technology at the same, or at a quicker rate, than its competitors' ability to do so. Accordingly, there is a risk that the Group's future growth and success could be impaired if the Group fails to source new content, new technologies and innovative services and is therefore unable to generate revenue proportionate to traffic volumes across its networks, which could adversely affect the Group's business prospects, financial condition and results of operations.

The Group's failure to develop and operate mobile, cable and broadband networks and distribution systems could have an adverse effect on its business.

The Group's ability to increase or maintain its market share and revenue is partly dependent on the success of its efforts to expand its business, maintain its network quality and manage its networks and distribution. As new technologies are developed or upgraded, equipment may need to be replaced or upgraded or mobile, cable or broadband networks may need to be rebuilt, in whole or in part. The build-out of networks and distribution is a capital intensive process that is subject to risks and uncertainties which may delay the introduction of services and increase the cost of network construction or upgrade. Such uncertainties include constraints on the Group's ability to fund additional capital expenditures, as well as external forces, such as obtaining necessary permits and spectrum from regulatory and other local authorities. Unforeseeable technological developments may also render services unpopular with customers or obsolete. If equipment or systems become obsolete, such assets may become impaired, which may have an adverse effect on the Group's results of operations. To the extent the Group fails to expand and upgrade its network and distribution capabilities on a timely basis relative to its competitors, it may not be able to expand its customer base and it may lose customers, which may hinder recovery of its significant capital investments and have an adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group depends upon its ability to deploy sufficient resources to manage its active infrastructure and to effectively manage third parties to operate and maintain the networks, including the managed support services and towers and network infrastructures that are subject to passive infrastructure and tower sharing agreements. Key components of the networks, including hardware and software, may break down, and the risk of a breakdown is higher for some emerging services as the equipment for them is not yet standardised. In 2010 and 2011, the Group entered into transactions whereby it sold and leased back a significant amount of its passive infrastructure (towers) in the DRC, Ghana, Tanzania and Colombia, and may engage in similar transactions in the future in other markets. The Group has also entered into managed services agreements in its African markets to outsource the maintenance and replacement of network equipment. There is a risk that operators and tower management companies will not meet the performance obligations stipulated in these contracts or that they will fail to implement remedial action in a timely manner. If these managed services agreements terminate, the Group may be unable to find a cost-effective, suitable alternative provider and may no longer have the necessary expertise in-house to perform comparable services, which may adversely

impact the quality of the services it provides to its customers and, if customers were to switch service providers as a result, the Group's results of operations, as well.

The Group is increasingly dependent on key suppliers.

The Group relies on its ability to develop relationships with handset manufacturers and application developers, so it can provide the advanced handsets and services demanded by customers using 3G and 4G services. The Group has limited influence over its key suppliers and there is a risk that it will not be able to obtain required products or services on favourable terms or at all. The Group also seeks to standardise its network equipment to ease equipment replacement and reduce network downtime and to contract with a limited number of international suppliers to achieve economies of scale. As a result, the Group relies on a limited number of manufacturers to provide network and telecommunications equipment and technical support. There are a number of alternative suppliers available; however, if the Group is unable to obtain adequate alternative supplies of equipment or technical support in a timely manner, on acceptable commercial and pricing terms, its ability to maintain and expand its networks and its business and operations may be adversely affected.

The Group's licenses may be suspended or revoked and the Group may be fined or penalised for non-compliance with law or regulations.

The Group's telecommunications licenses and legislation regulating the telecommunications industry in the countries in which the Group operates impose standards and conditions on the Group's operations. If the Group fails to comply with the conditions of the Group's licenses or with the requirements established by the legislation or if the Group do not obtain permits for the operation of the Group's networks and equipment, use of frequencies or additional licenses for broadcasting directly or through agreements with broadcasting companies, the Group may not have sufficient opportunity to cure any non-compliance. In the event that any non-compliance is not cured, the applicable regulator may levy fines, suspend or terminate the Group's licenses, frequency permissions, or other governmental permissions or refuse to renew licenses. The occurrence of any of these events could impair the Group's ability to build out its networks in accordance with its plans, harm the Group's reputation and adversely affect the Group's business, financial condition and results of operations.

The Group's operations with local partners are accompanied by inherent business risks.

The Group has local partners in Colombia, Guatemala and Honduras, and the Group is a minority investor without management control in the Rocket Internet e-commerce businesses. In Guatemala and Honduras, the Group's ability to receive dividends and distributions depends in part upon the consent of independent shareholders. The Group's ability to make significant strategic decisions in these operations may depend on consent of the other participants, and its operations may be negatively affected in the event of disagreements with its partners. Further, emerging market investments with local partners are often accompanied by risks, including in relation to:

- the possibility that a local partner will default or terminate the applicable investment agreement;
- the possibility that a local partner will hinder development by exercising shareholder rights to block capital increases or other strategic decisions if that partner disagrees with the Group's views on developing the business or loses interest in pursuing the projects;
- the possibility that a local partner will not conduct business in accordance with the Group's corporate policies, such as those governing compliance and risk management; and
- the loss of a local partner and the associated benefits, such as local insight on operating a business in that market.

If any of the foregoing risks were to materialise, they could adversely affect the Group's business, reputation, business strategy and results of operations.

MIC S.A. is investigating potential improper payments on behalf of its Guatemalan joint venture and has reported these concerns to law enforcement authorities in the United States and Sweden.

On 21 October 2015, MIC S.A. reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of its joint venture in Guatemala. A special committee of MIC S.A.'s board of directors made the decision to report in connection with an independent investigation overseen by the special committee and conducted by an international law firm, with the support of MIC S.A.'s management team. On 4 May 2016, MIC S.A. was notified by the Swedish Public Prosecutor that it had discontinued its preliminary investigation due to lack of jurisdiction. MIC S.A. continues to cooperate with law enforcement in the United States. Any determination by law enforcement authorities that the Group's operations or activities are not, or were not, in compliance with applicable laws could result in remedial actions by the Group, fines, penalties or other sanctions imposed on the Group by law enforcement authorities interruptions of business and loss of partner relationships among other consequences, which could disrupt the Group's business and result in an adverse effect on the Group's reputation, business, results of operations or financial condition.

Violations of anti-corruption or anti-bribery laws applicable to the Group's business could have an adverse effect on the Group's business, financial condition or results of operation.

Anti-corruption and anti-bribery laws in the countries in which the Group operates prohibit companies and their intermediaries, including agents, affiliates, suppliers and distributors, from making improper payments to government officials and/or other persons for the purpose of obtaining or retaining business. In recent years, there has been a significant increase in both the frequency and severity of enforcement under such laws, and many of the jurisdictions in which the Group operates pose elevated risks for corruption and bribery activities. There are inherent limitations in the Group's ability to review, update and oversee its internal compliance policies, procedures and internal controls, which are designed and maintained to achieve compliance with such laws, and there is a risk that such measures will not adequately detect or prevent potential violations by employees, representatives, affiliates, partners, suppliers, distributors or third party agents. As the Group becomes increasingly dependent on third parties in the operation of its businesses, such as through sales agents, outsourced network management and infrastructure providers, this risk increases. Any failure to comply with such laws could result in penalties, fines or regulatory sanctions, which could harm the Group's reputation and have an adverse effect on its business, financial condition and results of operations.

The Group's success is significantly dependent on its reputation and on the value and perception of its 'Tigo' brand.

The Group's 'Tigo' brand has been assessed as one of its most valuable assets, and the Group's success depends in large part upon its ability to maintain and enhance the value of the 'Tigo' brand and its customers' connection to the brand. Maintaining, promoting and positioning the 'Tigo' brand depends largely on the success of the Group's marketing and merchandising efforts and its ability to provide a consistent, high quality customer experience. Brand value is based in part on consumer perceptions on a variety of subjective qualities. Business incidents, such as violations of laws or breaches the Group's business integrity or ethical standards, whether isolated or recurring and whether originating from the Group, its sales agents, suppliers or its distributors, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. The Group also uses social media as one of its marketing strategies, and any negative publicity or social media campaigns can tarnish the Group's public image or reputation. There is a risk that any such incidents could cause a decline in consumer confidence in, or the perception of, the Group's services and could

decrease the value of the Group's brand or customer demand for the Group's services, which could result in lower revenues and profits and adversely impact the Group's financial condition and results of operations.

The Group's operations depend upon access to networks it does not control through interconnect agreements, the terms of which could be negatively impacted by market participants or regulatory changes.

The Group's ability to provide telecommunications services would be severely hampered if its access to local and long distance line capacity was limited or if the commercial terms or costs of interconnect agreements with other wireless and local, domestic and international fixed-line operators were significantly altered. Interconnection is required to complete calls that originate on the Group's respective networks but terminate outside of its networks, or that originate from outside the Group's networks and terminate on its networks. Costs may increase significantly as a result of new regulations or commercial decisions by other fixed-line operators or a lack of available line capacity for interconnection. Further, in some of the Group's markets, regulators have reduced interconnection rates. As the Group is often one of the largest suppliers of telephone services in the countries in which it operates, and interconnect fees represent a significant source of revenue for the Group, a reduction in interconnection rates could reduce the Group's revenue. If regulators in the Group's markets reduced interconnection rates, or imposed asymmetric interconnection or termination rates, these measures could have an adverse effect on the Group's overall results of operations.

Mobile applications and content for the Home business may not be widely used by customers.

The Group acquires rights to certain services for the Group's Mobile and Home customers to use, such as the 2014 World Cup made available to the Group's Tigo users through a mobile application, the Tigo Music local content music streaming service and programming such as Tigo Sports. The Group makes long-term commitments in advance to acquire rights even though the Group cannot predict the popularity of the services or ratings the programming will generate. License fees are negotiated for a number of years and include "per user" billing, which means that the Group must still pay part of the fees even if the service supplied is no longer popular. The commercial success of applications or content also depends on the quality and acceptance of other competing applications or content released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time results from mobile data use and the Group's Home business fluctuate primarily with the acceptance of such services by the public, which is difficult to predict. A shortfall, now or in the future, in the expected popularity of the various services for which the Group have acquired rights could negatively impact the Group's results of operations.

The Group relies on access to third-party digital content, which may not be available to the Group on commercially reasonable terms or at all.

The Group contracts with numerous third parties to offer to the Group's customers their digital content, including sports, mobile applications and other popular programming. The licensing or other distribution arrangements with these third parties are for relatively short terms and there is a risk that these arrangements may not be continued or renewed on reasonable terms, if at all. Some content providers and distributors currently or in the future may offer competing products and services, and could take action to make it more difficult, expensive or impossible for the Group to license or otherwise distribute their content in the future. The Group may be unable to offer a variety of content at reasonable prices, or its ability to expand its content offering to new markets may be limited. If the Group is unable to offer content or make content available to its customers on commercially reasonable terms, the Group's financial condition and operating results may be materially impaired.

The telecommunications and broadcasting market is heavily regulated.

The licensing, construction, ownership and operation of mobile telephone, broadband and cable TV networks, and the grant, maintenance and renewal of the required licenses, as well as radio frequency allocations and interconnection arrangements, are regulated by national, state, regional or local governmental authorities in the markets in which the Group operates. In addition, certain other aspects of the Group's telecommunications operations, including rates charged to customers, access requirements, resale of mobile services and user registrations, may be subject to public utility regulation. The Group's operations also typically require government permits, including permits for the construction and operation of cell sites. In some markets, the Group's acquisitions and dispositions may require regulatory approval and there is a risk that such approval will not be granted in a timely manner if at all. In 2015, for example, Costa Rican regulators declined to approve the Group's proposed merger with TeleCable Económico TVE, S.A. If necessary regulatory approvals are delayed or denied, the Group's ability to make strategic acquisitions to expand the breadth and geographical reach of its services could be adversely affected, which could have an adverse effect on the Group's growth prospects and business.

Regulatory changes may subject the Group to claims or regulatory actions. In addition, regulations which affect prices, increase capital investment requirements, impose universal service obligations, render subsidising mobile customer handsets commercially unviable, or impose an expiration date on when the Group's customers must use their prepaid minutes or SMS bundles could reduce revenue and margins and could have an adverse effect on the Group's results of operations.

The Group may experience unforeseen challenges in integrating new operations into its business, and it may not achieve the expected synergies from new operations.

The Group continuously evaluates strategic opportunities for market consolidation, entering new markets, divesting operations, and vertical integration within its investment framework. For example, in August 2014, the Group significantly expanded its existing Colombian operations through the acquisition of the UNE group of companies, which resulted in various synergies, cost savings and operating efficiencies but incurred a substantial amount of management time and resources in the process, and the integration process with respect to minority interests and operations remains ongoing. Achieving the anticipated synergies when the Group acquires new businesses is subject to a number of uncertainties, including whether the existing and new businesses can be integrated in an efficient, effective and timely manner in line with expectations with a minimal amount of disruption to the existing business. The Group may have difficulty addressing differences in corporate cultures and management philosophies, and the integration process may take longer or cost more than anticipated and could result in the loss of valuable employees, the disruption of ongoing operations or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect the Group's ability to achieve anticipated synergies. Failure to achieve these anticipated benefits could result in increased costs or decreased revenues and could adversely affect the Group's future business, financial condition and results of operations.

The Group collects and processes sensitive customer data.

The Group increasingly collects, stores and uses customer data that are subject to data protection laws through the Group's mobile applications and mobile financial services ("MFS"). Regulatory authorities in some markets have the right to conduct an audit and impose fines if they find the Group has not complied with applicable laws and adequately protected customer data. If the Group fails to protect data in accordance with applicable privacy requirements, certain data may be leaked or otherwise used inappropriately. Violation of data protection laws may result in fines, damage to the Group's reputation and customer churn and could have an adverse effect on the Group's business, financial condition and results of operations.

Equipment and network systems failures could have an adverse effect on the Group's business and reputation.

The Group's business is dependent on certain sophisticated critical systems, including exchanges, switches and other key network elements, physical infrastructure and its billing and customer service systems. The Group's technological infrastructure is vulnerable to damage and disruptions from numerous events, including fire, flood, windstorms and other natural disasters, power outages, terrorist acts, equipment and system failures, human errors and intentional wrongdoings, including breaches of the network and information technology security. Risks to the network include state sponsored censorship, sabotage, theft and poor equipment maintenance, which are ongoing risks, especially in Chad, and Central America. Cyber-attacks are becoming more frequent in the telecommunications industry, and there is a risk that the Group's information security framework will not be able to prevent future attacks. If such an attack did occur, it could have an adverse effect on the Group's brand, reputation and results of operations. Unanticipated problems at the Group's facilities, network or systems or at the facilities, network or systems of third parties on which the Group relies could harm the Group's reputation and impair its ability to retain current customers or attract new customers, and could result in reduced user traffic and revenue, regulatory penalties or penal sanctions, unanticipated capital expenditures, or substantial uninsured losses, which could have an adverse effect on the Group's business, financial condition and results of operations.

The Group may incur significant costs from fraud.

The Group incurs costs and revenue losses associated with the unauthorised use of the Group's networks, content piracy, and call bypass fraud, including administrative and capital costs associated with the unpaid use of the Group's networks as well as with detecting, monitoring and reducing the incidences of fraud. Fraudulent activity also negatively impacts interconnection costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges. There is a risk that the Group's controls, such as its dedicated fraud monitoring and investigation team, may not be able to adequately detect or prevent such fraudulent activity. However, any continued or new fraudulent schemes could have an adverse effect on the Group's business, financial condition and results of operations.

Some of the Group's new mobile products and services are complex and increase its exposure to fraud, money laundering, and reputational risk.

Some of the Group's new products and services, such as MFS and e-commerce services, involve new distribution channels. Technical or administrative errors could result in customer losses for which the Group could be responsible, and the Group may be liable for online fraud and problems related to inadequately securing payment systems. These services involve cash handling, increasing the risk of fraud and money laundering and potential reputational damage, as the Group is responsible for safeguarding MFS funds and ensuring efficient and accurate funds delivery through distribution channels. These services may also be subject to new legislation and regulation, and may impose regulatory obligations to ensure appropriate and authorised use of funds (including obligations related to anti-money laundering and counter terrorism financing activities). In most markets in which the Group has launched MFS, the regulations governing MFS services are new and evolving, and, as they develop, regulations could become more onerous, imposing additional reporting or controls or limiting the Group's flexibility to design new products, which may limit its ability to provide services efficiently or at all. The Group may not be able to modify its service provision in time to comply with any new regulatory requirements, or new regulation may be applied retroactively. Failure to respond appropriately to these risks and uncertainties could reduce the Group's revenue and results of operations, as well as damage its reputation.

The availability of spectrum is limited and closely regulated, and the Group's licenses are granted for finite periods.

The availability of spectrum is limited and closely regulated, and the Group may not be able to obtain it from the regulator or third parties at a competitive price, if at all. Regulators may require the surrender of spectrum to secure regulatory approval for acquisitions the Group may make. Most of the Group's licenses are granted for specified terms, and there is a risk that licenses will not be renewed upon expiration. Some of the Group's telecommunications licenses have recently been renewed and extended beyond 2026. Other licenses are due to expire while the Notes will be outstanding, including the Group's mobile telecommunications licenses in Paraguay (2016 and 2017), El Salvador (2018), Ghana (2019) and Tanzania (2020) and UNE's television license (2019). If renewed, the Group's licenses may be expensive or may contain additional obligations, including payment obligations, or may cover reduced service areas or permit a more limited scope of service, which could have an adverse effect on the Group's business, financial condition and results of operations.

The obligations connected with the Group's debt, including the obligations under the Notes, could impair the Group's liquidity and its ability to expand or finance future operations.

As at 31 December 2015, the Group's total indebtedness, including the debt of the Group's Guatemala and Honduras operations which were no longer consolidated as at 31 December 2015, was \$5,384 million, of which \$2,003 million was incurred by MIC S.A. directly and 29 per cent. was denominated in local currency. There is a risk that a substantial increase in the Group's consolidated debt level could negatively impact its liquidity and operating flexibility. *See "Risks relating to the Notes—The Group may incur substantially more debt in the future, which may make it difficult to service its debt, including the Notes, and impair its ability to operate its businesses".*

Risks relating to the markets in which the Group operates

Political instability in the countries in which the Group operates could negatively affect the Group's revenue or ability to conduct business.

The Group offers telecommunication services in 13 markets in Latin America and Africa. Many of the countries in which the Group operates are considered to be emerging economies and can therefore be subject to greater political and economic risk than developed countries. The governments of these 13 countries differ widely with respect to type of government, constitution, and stability and many of these countries lack mature legal and regulatory systems. Some of the countries in which the Group operates suffer from political instability, civil unrest, or war-like actions by anti-government insurgent and terrorist groups. These problems may continue or worsen, potentially resulting in significant social unrest or civil war. Any political instability or hostilities in the markets in which the Group operates can hinder economic growth and reduce discretionary consumer spending on the Group's services, especially on its mobile products and services other than standard voice, and may result in damage to the Group's networks or prevent the Group from selling its products and services, which could adversely affect the Group's business, financial condition and results of operation.

The Group faces a number of risks as a result of such political instability, including the risk of network expropriation or disruption, sometimes resulting from government requests to shut down the network in conflict zones, and forced and illegal abuse of the network by political forces. The Group also faces the risks that key staff may have to be evacuated and that the Group may not be able to continue operating its business in countries as it was previously conducted. Any of these events would adversely affect the Group's results of operations.

Increased inflationary pressures and economic downturns in the countries in which the Group operates could significantly impact revenue.

Consumption of mobile telephone and fixed-line services in the markets in which the Group operates is driven by a country's GDP, inflation, the level of consumer discretionary income, and consumers' willingness to accept potential price increases. Most of these economies have large populations living on a pay check-to-pay check basis and primarily spending income on basic items such as food, housing and clothing, with less income to spend on discretionary items like mobile, cable or broadband services. Downturns in the economies of any particular country or region in which the Group operates may adversely affect demand for the Group's services, which would negatively impact revenue. Periods of significant inflation in any of the Group's markets could adversely affect the Group's costs and financial condition as well as reducing the discretionary income of the Group's less affluent customers, and therefore their purchasing power for telecommunications services. The loss of customers following a significant economic downturn could result in a significant loss of expected revenue. As the Group incurs costs based on its expectations of future revenue, a failure to accurately predict revenue could adversely affect the Group's business, financial condition, results of operations and business prospects.

Many of the countries in which the Group operates lack infrastructure or have infrastructure in poor condition and, particularly in Africa, have an insufficient supply of electricity.

With the exception of Colombia, the countries in which the Group operates generally lack modern infrastructure or have infrastructure in poor or very poor condition, including roads and power networks. In general, the rural areas in these countries often lack even the most basic infrastructure. The Group must often build cell sites without the benefit of roads and other infrastructure, increasing network development and maintenance costs, which could adversely affect the Group's business and results of operation.

The electricity supply is insufficient in certain of the African countries in which the Group operates due to underdevelopment of electricity sectors compared to the pace of economic growth in such countries. In certain countries, the Group must rely on diesel-powered generators or solar panels to power the Group's radio sites and some of its towers have solar back-up power or hybrid deep cycle backup batteries. These measures increase costs and can adversely impact the profitability of the Group's African operations.

Developing legal systems in the countries in which the Group operates create a number of uncertainties for its businesses and operations.

The nature of legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of emerging markets legal systems place the enforceability and, possibly, the constitutionality of, laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. The legislation often contemplates implementing regulations that have not yet been promulgated, leaving substantial gaps in the regulatory infrastructure. All of these factors could affect the Group's ability to enforce its rights under its licenses and under its contracts, or to defend itself against claims by others.

Further, the legal systems in many of the emerging market countries in which the Group operates are less developed than those in more established markets, which creates uncertainties with respect to many of the Group's legal and business decisions and can lead to potential abuses of the legal and judicial systems that can adversely impact the Group. Such uncertainties include, among others, potential for negative changes in laws, gaps and inconsistencies between the laws and regulatory structure, difficulties in enforcement, broad regulatory authority held by telecommunications regulators, abuse of the judicial process and inconsistency in the judicial interpretation of legislation in similar cases due to an under-developed judicial system. For example, in June 2015, the Group identified that an incorrect filing related to one of its African operations had been made in the

commercial register. As a result of that erroneous entry, the register incorrectly indicates that shares in the Group's operation were transferred to a third party. This could adversely affect the Group's business and revenue and result in losses in its operations.

The tax systems in the countries in which the Group operates are unpredictable.

Significant uncertainties regarding the tax systems where the Group operates complicates the Group's tax planning and business decisions. In some countries in which the Group operates, interpretation of tax laws by the relevant authorities can be arbitrary, enforcement of tax laws may be inconsistent and significant new taxes can be introduced. For example, in October 2015, El Salvador introduced a five-year, 5 per cent. 'security tax' on cable, internet and phone services to address security issues. Any additional tax liability, as well as any unforeseen changes in applicable tax laws or changes in the tax authorities' interpretations of local laws or the respective double tax treaties in effect with the countries in which the Group operates could have an adverse effect on future results of operations and cash flows, especially if competitive pricing pressure prevents the Group from passing these taxes on to customers.

Volatility in local currencies in the markets in which the Group operates could adversely affect the Group's business, financial condition and results of operations.

The Group's functional currency is the U.S. dollar and a significant amount of the Group's costs, expenditures and liabilities are denominated in U.S. dollars, including capital expenditures and borrowings. However, the Group's operations are in various countries with different currencies. In the markets in which the Group operates, the Group collects revenue from customers and from other telecommunications operators for interconnect charges in local currencies, and there may be limits to the Group's ability to convert these local currencies into U.S. dollars or Swedish krona. The Group is also exposed to the potential impact of any alteration to, or abolition of, foreign exchange which is "pegged" at a fixed rate against the U.S. dollar. Any "unpegging" or devaluation could reduce the cash available to fund the Group's obligations and commitments and could have an adverse effect on the Group's business, financial condition or results of operations.

Due to lack of available financial instruments in many of the countries or currencies in which the Group operates, it may not be able to hedge against foreign currency exposures. The Group had net exchange losses of \$304 million in 2015 as compared to net exchange losses of \$175 million in 2014. At the operational level the Group seeks to reduce its foreign exchange exposure through a policy of matching, as far as possible, cash inflows and outflows. Where possible and where financially viable, the Group borrows in local currency to hedge against local currency exchange risks. The Group's ability to reduce its foreign currency exchange exposure may be limited by lack of long-term financing in local currency. As such, there is a risk that the Group may not be able to finance local capital expenditure needs or reduce its foreign exchange exposure by borrowing in local currency, which may adversely impact the Group's financial condition or results of operations.

In addition, local currency exchange rate fluctuations in relation to the U.S. dollar may have an adverse effect on the Group's earnings, assets and cash flows when translating or converting local currency into U.S. dollars. During 2015, many of the countries in which the Group operates experienced significant currency value decreases against the U.S. dollar, which negatively impacted the Group's financial results. For each operation that reports its results in a currency other than the U.S. dollar, a decrease in the value of that currency against the U.S. dollar reduces the Group's profits while also reducing the Group's assets and liabilities. To the extent that the Group's operations retain earnings or distribute dividends in local currencies, exchange rate volatility could reduce the amount of funds ultimately received by MIC S.A. and available to repay the Group's indebtedness, including the Notes. In addition, exchange rates impact the Group's earnings, assets and cash flows as many operating subsidiaries have U.S. dollar denominated debt, due to unavailability of, or lack of commercially acceptable long-term financing in local currencies and may adversely impact the Group's business, financial condition or results of operations.

Risks relating to MIC S.A.

MIC S.A. is a holding company, and as a result, is dependent on cash flow from its operating businesses to service its indebtedness. These cash flows may be limited by local law or contracts.

MIC S.A. is a holding company and its primary assets consist of shares in its subsidiaries and joint ventures and cash in its bank accounts. As a holding company, MIC S.A. has no significant revenue generating operations of its own, and therefore its cash flow and ability to service its indebtedness will depend primarily on the operating performance and financial condition of its operating businesses and its receipt of funds from such businesses in the form of dividends or otherwise. As a result, MIC S.A.'s operating businesses may not generate income and cash flow sufficient to enable MIC S.A. to fund its payment obligations on the Notes.

Even if the income from its operating businesses is adequate, there is also a risk that income and licensing fees generated from these businesses cannot be transferred to MIC S.A. For example, contracts governing the Group's indebtedness restrict dividends and other payments to members of the Group and contracts governing the Group's joint venture arrangements may also restrict MIC S.A.'s ability to receive payments from its local operations. *See "Risks Relating to the Group's business and the telecommunications and media industry—The Group's operations with local partners are accompanied by inherent business risks"*. In addition, foreign exchange controls exist in some of the countries in which the Group's companies operate, some of which limit dividend payments, though, at present, none of these controls significantly restricts the ability of the Group's operating companies to pay interest, dividends, technical service fees, and royalty fees or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, foreign exchange controls may be strengthened, or introduced, which could restrict MIC S.A.'s ability to receive funds from those operations. In some countries it may also be difficult to convert local currency into foreign currency due to limited liquidity in foreign exchange markets.

These contractual and regulatory restrictions may constrain the frequency and amount of cash upstreaming from the Group's operating companies to MIC S.A. in the future, and could adversely impact MIC S.A.'s ability to fulfil its payment obligations on the Notes.

Certain insiders own significant amounts of MIC S.A.'s shares.

As of 31 March 2016, Investment AB Kinnevik ("**Kinnevik**"), MIC S.A.'s largest shareholder, owned 37,835,438 shares in MIC S.A., representing 37.2 per cent. of MIC S.A.'s voting shares. MIC S.A.'s nomination committee nominates members to MIC S.A.'s board of directors and is comprised of some of the Group's largest shareholders, including Kinnevik. Two out of eight of the directors elected at the annual general meeting in May 2016, including the director serving as chairperson, are affiliated with Kinnevik. Kinnevik has a significant ownership interest in MIC S.A.

Risks relating to the Notes

The Notes are structurally subordinated to the indebtedness of the Group's subsidiaries, and effectively subordinated to any of MIC S.A.'s existing and future obligations that are secured by assets or property that do not secure the Notes.

None of MIC S.A.'s subsidiaries or joint ventures guarantee the Notes, nor do they have any obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or otherwise. The Notes are structurally subordinated to all indebtedness and other obligations of all of MIC S.A.'s subsidiaries, such that in the event of insolvency, liquidation, reorganisation, dissolution or other winding up of any subsidiary, all of the subsidiary's creditors would be entitled to payment in full out of such subsidiary's assets before MIC S.A. would be entitled to any payment. Though the terms and conditions governing the Notes (the "**Terms and Conditions**") include a covenant limiting the

Group's ability to create or suffer to exist liens, this limitation is subject to significant exceptions. Any of the Group's future indebtedness that is secured by the Group's assets will be effectively senior to MIC S.A.'s obligations under the Notes to the extent of the value of the property and assets securing such obligations. In the event of insolvency, any right of the Noteholders to participate in the assets securing the Group's other indebtedness will be subject to the prior claims of its secured creditors and will have the same priority as holders of MIC S.A.'s other *pari passu* indebtedness.

The Group may incur substantially more debt in the future, which may make it difficult to service its debt, including the Notes, and impair its ability to operate its businesses.

The Group may incur additional debt in the future. The restrictions on the incurrence of additional indebtedness in the Terms and Conditions, and certain of the Group's outstanding debt instruments, are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Under the Terms and Conditions, in addition to specified permitted indebtedness, the Group may incur additional indebtedness so long as on a pro forma basis the Group's net leverage ratio (as defined in the Terms and Conditions) is less than 3.0 to 1.0. The Terms and Conditions will permit MIC S.A. to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Terms and Conditions. In addition, the Terms and Conditions, the Group's credit facilities and the terms and conditions regarding certain other notes issued by the Group, will not prevent MIC S.A. from incurring obligations that do not constitute indebtedness under those agreements. The incurrence of additional debt could, among other things, require MIC S.A. to dedicate a substantial portion of the Group's cash flow to payments on the Group's debt, thus reducing availability of cash to fund organic growth or corporate purposes, increasing vulnerability to a downturn in the Group's business or general economic conditions, or restrict the Group from pursuing strategic acquisitions or exploiting certain business opportunities.

MIC S.A. may not have sufficient funds available to finance an offer to repurchase its existing indebtedness if a "Change of Control" (as defined in the Terms and Conditions) occurs.

Under the terms of certain of MIC S.A.'s outstanding indebtedness, as well as in the Terms and Conditions, upon the occurrence of certain events constituting a "Change of Control", together with other events, MIC S.A. must offer to repurchase or repay such indebtedness. There is a risk that MIC S.A. may not have sufficient funds available to make any required repurchases or repayments of such indebtedness. MIC S.A.'s failure to make any required repurchase or prepayment could result in the default and acceleration of certain of the Group's indebtedness, which would have an adverse effect on the Group's business, financial condition and results of operations.

An active trading market may not develop for the Notes.

MIC S.A. has applied for registration of the Notes on the corporate bond list of Nasdaq Stockholm. However, even if the Notes are admitted to trading on a regulated market, there is a risk that active trading in the Notes does not occur and that a liquid market for trading in the Notes does not develop or if it develops, it may not be maintained. As a result, Noteholders may not be able to sell their Notes when they wish or at a price comparable to similar investments having an existing and functioning secondary market. A lack of liquidity in the market could have an adverse effect on the market value of the Notes. Accordingly, an investment in the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes. Furthermore, the nominal value of the Notes may not be indicative of the market price of the Notes if the Notes are admitted for trading on Nasdaq Stockholm, as the Notes may trade below their nominal value (for instance, to accommodate an increased premium to compensate for an actual or perceived increase in the Group's credit risk).

Restrictions on the transferability of the Notes.

The Notes have not been and will not be registered under the Securities Act, or any U.S. state securities laws. Subject to certain exemptions, a Noteholder may not offer or sell the Notes in the United States. MIC S.A. has not undertaken to register the Notes under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Notes in the future. Furthermore, MIC S.A. has not registered the Notes under any country's securities laws other than Sweden. Each potential investor should read the information in the Terms and Conditions for further information about the transfer restrictions that apply to the Notes. It is each Noteholder's obligation to ensure that its offers and sales of Notes comply with all applicable securities laws.

Luxembourg insolvency laws may not be as favourable as insolvency laws in other jurisdictions.

MIC S.A. is incorporated and has its registered office in the Grand Duchy of Luxembourg ("**Luxembourg**"). Accordingly, insolvency proceedings with respect to MIC S.A. may proceed under, and be governed by, Luxembourg insolvency laws, which may not be as favourable to investors' interests as those of jurisdictions with which investors may be familiar, including Sweden, and may limit the ability of Noteholders to enforce the Terms and Conditions of the Notes. Insolvency proceedings may have an adverse effect on MIC S.A.'s business and assets and MIC S.A.'s respective obligations under the Notes. Under Luxembourg insolvency laws, the ability of the Noteholders to receive payment on the Notes may be more limited than under Swedish bankruptcy laws.

Decisions affecting all of the Notes may be made at Noteholders' meetings.

The Terms and Conditions for the Notes include certain provisions regarding Noteholders' meetings. Such meetings may be held in order to decide on matters relating to the Noteholders' interests. The Terms and Conditions for the Notes allow for stated majorities to bind all Noteholders, including Noteholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted Noteholders' meeting. Consequently, the actions of the majority in such matters could impact a Noteholder's rights in a manner that would be undesirable for some of the Noteholders.

Clearing and settlement will occur in Euroclear's book-entry system.

The Notes will be affiliated to Euroclear Sweden AB's ("**Euroclear**") account-based system, and no physical notes will be issued. Clearing and settlement relating to the Notes will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system.

Changes in law may adversely affect the Notes.

The Notes will be subject to English law as well as applicable European Union and Luxembourg laws and administrative practices in effect as at the date of the Terms and Conditions. There is a risk that future changes in applicable legislation, case law or administrative practice after the date of the Terms and Conditions could adversely impact MIC S.A.'s ability to make payments under the Notes.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

Moody's Investors Service, Inc. ("**Moody's**") and Fitch Ratings, Ltd. ("**Fitch**") have assigned MIC S.A. with a credit rating. Fitch has assigned the Notes a credit rating of BB+. The credit ratings address MIC S.A.'s ability to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above

and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. There is a risk that a credit rating will change over time or that a credit rating will be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. In January 2016, Fitch affirmed MIC S.A.'s credit rating at BB+, and in March 2016, Moody's re-affirmed MIC S.A.'s credit rating at Ba1. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of MIC S.A.'s financings and could adversely affect the value and trading of the Notes. See "*An active trading market may not develop for the Notes*".

The Joint Bookrunners may provide other services to the Group that could result in conflicts of interest.

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Group. In particular, the Joint Bookrunners may serve as lenders under certain credit facilities with members of the Group as borrowers and acted as dealer managers in connection with MIC S.A.'s April 2016 tender offer for its SEK-denominated notes due 2017. There is a risk that conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties. See "*Legal and Supplementary Information—Certain Material Interests*".

STATEMENT OF RESPONSIBILITY

The issuance of the Notes was authorised by resolutions taken by the board of directors of MIC S.A. on 11 April 2016, and the Notes were subsequently issued by MIC S.A. on 21 April 2016.

MIC S.A. is responsible for the information contained in this Prospectus and has taken all reasonable precautions to ensure that, as far as MIC S.A. is aware, the information in this Prospectus is accurate and does not omit anything likely to affect its import. To the extent prescribed by law, the board of directors of MIC S.A. is responsible for the information contained in this Prospectus. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as MIC S.A. is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may render the information misleading or incorrect. The board of directors of MIC S.A. confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, accurate and does not omit anything likely to affect its import.

25 May 2016

MILICOM INTERNATIONAL CELLULAR S.A.

The Board of Directors

THE NOTES IN BRIEF

The following summary of the Notes contains basic information about the Notes. It does not purport to be complete, and is qualified in its entirety by reference to the Trust Deed and the Terms and Conditions. Capitalised terms used in this summary without definition shall have the same meanings assigned to such terms in the Terms and Conditions.

Issuer:	Millicom International Cellular S.A. (the " Issuer ").
First Issue Date	21 April 2016.
Issue Price	100 per cent.
Total Nominal Amount; Currency	SEK 2,000,000,000.
ISIN	SE0008242986
Nominal Amount	SEK 1,000,000.
Minimum Investment	SEK 1,000,000.
Interest Rate	The Notes bear interest at a floating rate of STIBOR (3 months) (excluding a STIBOR floor) plus 3.30 per cent. <i>per annum</i> , with quarterly interest payments in arrears.
Interest Dates	Quarterly, each 17 January, 17 April, 17 July and 17 October, commencing on 17 July 2016 and thereafter every three months continuing until the Final Maturity Date.
Day Count Basis and Business Day convention	Actual/360, modified following business day.
Business Days	Sweden and Luxembourg.
Final Maturity Date	17 April 2019.
Redemption at Maturity	The outstanding Notes will be redeemed in full at 100 per cent. of the Nominal Value of each Note, together with accrued but unpaid interest, at the Final Maturity Date.
Status of the Notes	The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves and all its other direct, unconditional and unsubordinated obligations except those obligations which are mandatorily preferred by law.
Use of Proceeds	General corporate purposes of the Group.
Form	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 Swedish Financial

Instruments Accounts Act (Sw. lag (1998:1479) om kontoföring av finansiella instrument).

Additional Notes

The Issuer may also issue Additional Notes, which will be consolidated, and form a single series, with the Initial Notes. The issuance of Additional Notes will be subject to certain conditions precedent including, but not limited to, the absence of any Event of Default and satisfaction of any conditions to the incurrence of Financial Indebtedness set out in the Terms and Conditions.

Early Redemption (Call Option)

At any time on or after 17 April 2018, the Issuer may, subject to certain notice periods, redeem all, but not some only, of the outstanding Notes at an amount per Note equal to 101.45 per cent. of the Nominal Amount together with accrued but unpaid interest, if any. In addition, if at any time it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents, 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, if any, subject to certain notice periods.

Repurchase with Excess Proceeds (Put Option)

If the Excess Proceeds remaining from Asset Dispositions by the Issuer and its Subsidiaries (after taking into account any application of the Net Available Proceeds in accordance with the Terms and Conditions) exceed \$75 million (or its equivalent in any other currency), the Issuer shall make an offer to redeem from the Noteholders (at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest, if any, to the date of purchase) and from the holders of any Pari Passu Financial Indebtedness (at a price no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such debt together with accrued and unpaid interest if any to the date of purchase), to the extent required by the terms thereof, on a *pro rata* basis, the maximum principal amount of the Notes and any such Financial Indebtedness that may be purchased with the amount of the Excess Proceeds.

Mandatory Repurchase due to a Change of Control Triggering Event or a Listing Failure Event (Put Option)

Upon the occurrence of (i) a Change of Control Triggering Event or (ii) a Listing Failure Event, 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, if any, within 20 Business Days after notice of the relevant event is delivered by the Issuer. Thereafter, if Noteholders representing more than 75 per cent. of the aggregate Nominal Amount of all outstanding Notes have requested that Notes held by them be repurchased, the Issuer shall give the remaining Noteholders a further

right to request that their Notes be repurchased on terms equal to those set out above, for a period of 20 Business Days after notice of such right is delivered by the Issuer.

A Change of Control Triggering Event will occur if (i) among other things, any person or group of persons (other than Kinnevik or its related parties) gains direct or indirect control of more than 50 per cent. of the maximum number of votes (measured by voting power) that may be cast at a general meeting of the Issuer and (ii) within 90 days after the earlier of the announcement or the occurrence of a Change of Control of the Issuer, a rating agency withdraws its rating of the Notes or downgrades its rating by (x) one or more gradations (if, on the Rating Date, the Notes were not rated Investment Grade by at least two rating agencies) or (y) two or more gradations or such that the Notes are no longer rated Investment Grade (if, on the Rating Date, the Notes were rated Investment Grade by at least two rating agencies), *provided* that when announcing the relevant decision(s) to withdraw or decrease the rating, each such rating agency announces publicly or confirms in writing that such decision(s) resulted in whole or in part from the occurrence (or expected occurrence) of the Change of Control or the Issuer's announcement of the intention to effect a Change of Control.

A Listing Failure Event will occur if the Issuer fails to list the Notes on a Regulated Market within 60 days of the First Issue Date or fails to maintain such listing for a period of 60 days or more.

Information Undertakings

The Issuer is required to provide to the Noteholders certain information on an ongoing basis while the Notes are outstanding. Such information is of a type set out in the Swedish Securities Dealers Association standard terms (version 2) and includes annual (within 4 months) and quarterly (within 2 months) financial statements.

The Issuer is required to promptly notify of the occurrence of a Change of Control Triggering Event and/or a Listing Failure Event.

The Issuer is required to deliver an annual compliance certificate together with its annual financial statements.

Incurrence Test

The Terms and Conditions include restrictions on the ability of the Issuer and its Subsidiaries to incur Financial Indebtedness, which is subject to satisfaction of a pro forma Net Leverage Ratio test under which the ratio of Consolidated Net Debt to Consolidated EBITDA is less than 3.0:1.0 or the relevant Financial Indebtedness constitutes Permitted Financial Indebtedness.

General Undertakings

Subject to the suspension mechanic referred to below, the Terms and Conditions include the following covenants and restrictions:

- No substantial change to the general nature of the business subject to agreed exceptions.
- Preservation of material properties necessary for the conduct of its business subject to agreed exceptions.
- Incurrence of Financial Indebtedness subject to satisfaction of the Incurrence Test, unless the relevant Financial Indebtedness falls within certain agreed exceptions and baskets constituting Permitted Financial Indebtedness.
- Negative Pledge restricting the creation or subsistence of security or quasi-security over the Group's assets subject to certain agreed exceptions and baskets.
- Disposal of Assets restricting the disposal of certain specified classes of assets and the application of the proceeds of any disposal subject to certain agreed exceptions.
- Restriction on merger prohibiting consolidations or mergers involving the Issuer or the disposal of all the Issuer's assets unless certain conditions are satisfied.

Suspension of Certain Covenants

If and for so long as the Notes are rated Investment Grade by at least two rating agencies and provided that no Event of Default is continuing at the time the Issuer notifies the Trustee that the foregoing requirements are satisfied, the restrictions on the disposal of assets and the incurrence of Financial Indebtedness and the requirement that certain financial covenants be satisfied in order to permit a merger of the Issuer in accordance with the Terms and Conditions, will no longer apply. Any action taken by a Group Company during any such covenant suspension that would otherwise give rise to a breach of any of the aforementioned undertakings upon such covenant suspension ceasing to be in effect shall be deemed not to be a breach of the Terms and Conditions.

Admission to Trading

In addition to the put option triggered by a Listing Failure Event, the Issuer is obliged to use all reasonable efforts to ensure a listing on the Intended Market for Listing of the Notes within 60 days of the First Issue Date.

Events of Default

Each of the following events constitutes an Event of Default under the Terms and Conditions:

- Non-payment of principal or premium (if any) when due.
- Non-payment of interest when due, subject to a 30 day grace period.
- Failure to pay the purchase price for the Notes

which are required to be purchased by the Issuer following exercise of a put option following an Excess Proceeds Offer, a Change of Control Triggering Event or a Listing Failure Event.

- Breach of the restrictions on mergers.
- Breach of any terms or condition of any Finance Document (other than those expressly listed above), subject to a 60 day grace period following notice of the breach.
- Cross Payment Default and Cross Acceleration subject to a \$100,000,000 threshold.
- Failure to pay final court judgments within 60 days, subject to a \$100,000,000 threshold and other agreed exceptions.
- Insolvency and insolvency proceedings in respect of Material Companies.

Prescription

The right to receive repayment of the principal of the Notes shall become prescribed ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void five years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed.

Decisions by Noteholders

Decisions of Noteholders may be taken at a Meeting or by way of Written Procedure at the Trustee's discretion. Any of the Issuer, the Trustee or Noteholders representing at least ten per cent. of the Adjusted Nominal Amount may request a decision of the Noteholders on a matter relating to the Finance Documents.

The Trustee shall convene a Meeting by sending a notice to each Noteholder no later than ten Business Days after receipt of a valid meeting request. The Meeting shall be held no earlier than ten and no later than thirty Business Days after the effective date of the notice. Only matters that are included in the notice may be resolved at the Meeting.

The Trustee shall instigate a Written Procedure as soon as practicable and, in any event, no later than ten days after a receipt of a valid request, subject to limited exceptions, by sending a communication to each registered Noteholder on the record date (which shall be no more than five Business Days prior to the date on which the communication is sent). The communication must include the deadline for responding to the Written Procedure which must be at least ten and no more than thirty Business Days from the effective date of the communication. The relevant decision is deemed adopted when consents representing the applicable

consent threshold have been received.

For the avoidance of doubt, the application of articles 86 to 94-8 inclusive of the Luxembourg law of 10 August 1915 on commercial companies, as amended, have been excluded and will not apply to the Notes nor to the representation of Noteholders.

Transfer Restrictions

The Notes are freely transferable but individual Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, under applicable laws to which a Noteholder may be subject (e.g., due to such Noteholder's nationality, residency, registered address and/or place(s) of business). It is the responsibility of each Noteholder to ensure compliance with such laws at its own cost and expense.

Rating

Fitch has rated the Notes BB+ (For more information, refer to section "*Terms and Conditions*" under the heading "*Rating Category*" on page 62.)

Listing

Application will be made to list the Notes on the corporate bond list of Nasdaq Stockholm in connection with the SFSA approval of this Prospectus. If the application is approved, the number of Notes admitted to trading will be 2,000.

Trustee

Intertrust CN (Sweden) AB.

Issuing Agent

Nordea Bank AB (publ).

The CSD

Euroclear Sweden AB.

Governing law of the Notes and the Trust Deed

English law.

Jurisdiction

The courts of England.

Documentation

Trust Deed, including the Terms and Conditions, dated 18 April 2016 between the Issuer and the Trustee, or any replacement or supplemental trust deed entered into after the First Issue Date between the Issuer and a trustee (the "**Trust Deed**"). For more information, refer to the section "*Material Contracts – Trust Deed*".

Note Register

The Issuer will maintain a printout of the debt register (*skuldbok*) kept by the Issuer's central depository and registrar in respect of the Notes, from time to time, (initially Euroclear Sweden AB) at the Issuer's registered office in Luxembourg. The Issuer is entitled to obtain information from such debt register, from time to time, under the Terms and Conditions.

BUSINESS DESCRIPTION

Business overview

Millicom is one of the leading multinational telecommunications and media group providing digital lifestyle services in emerging markets, through mobile and fixed telephony, pay-TV, broadband/data and investments in online businesses in Latin America and Africa. Millicom provides a wide range of mobile communications and cable services, as well as other related products, including MFS, digital media and e-commerce, to residential, business and wholesale customers. Millicom's international footprint extends to 13 countries in Latin America and Africa.

Millicom's business is principally organised by geography (Latin America and Africa) and organisational business units (Mobile, MFS, Home and Business-to-Business ("**B2B**")).

Millicom's Mobile business operates in 11 markets across 3 regions: Central America (El Salvador, Guatemala and Honduras), South America (Bolivia, Colombia and Paraguay) and Africa (Chad, Ghana, Rwanda, Senegal and Tanzania). Millicom provides MFS in all of its Mobile markets other than Colombia and Costa Rica. Millicom's Home business operates in 7 markets across 2 regions: Central America (Costa Rica, El Salvador, Guatemala and Honduras), and South America (Bolivia, Colombia and Paraguay). Millicom offers B2B services in all 13 of its markets, including a corporate fixed broadband business in Nicaragua.

Mobile

Millicom provides a comprehensive set of mobile communications services, including voice, SMS, data and value-added digital services ("**VAS**"). Millicom focuses on monetising the trend of growing data consumption in the markets in which it operates by supplementing network-based Mobile revenues with income from MFS and other value-added digital media, applications and services, such as the Tigo Music platform and Tigo Sports in local languages. Millicom believes the availability of these services encourages additional data use among its customers and simultaneously helps to differentiate its brand and drive revenue growth. Millicom provides communications services to consumers, businesses and wholesale customers, including MVNOs, on both prepaid and postpaid bases. Millicom's Mobile customer base is predominantly prepaid.

Millicom provides services through 2G and 3G networks and has 4G-enabled networks in all of its Mobile markets, allowing it to respond to rapidly accelerating data penetration and growth of mobile data usage. A number of factors, including proliferation of affordable entry-level smartphones and a lack of legacy fixed-line infrastructure beyond metropolitan areas, have resulted in the rapid growth of mobile data usage. Data services have become an increasingly important contributor to the Mobile business, as digitisation has rapidly accelerated across the markets in which the Group operates.

MFS

MFS offer existing customers, many of whom have limited access to traditional banking services, the convenience and speed of cashless transactions by using their mobile phones to transfer funds to any other registered customer on Millicom's network (or, in relation to the Tanzanian operations, across networks), pay bills, receive salary payments, make merchant and transport payments, and use other financial services. MFS enable customers in economies that are largely cash-based to utilise electronic transactions that are safer, traceable and instantaneous. Millicom currently provides MFS in five countries across its operations—Tanzania and Rwanda in Africa and Paraguay, Honduras and El Salvador in Latin America.

Home

Millicom provides fixed-line telephone, broadband, and pay-TV, including premium high-definition content, services to residential customers mainly through a high-quality Hybrid Fibre Coaxial network. Millicom also provides satellite pay-TV services to rural and remote areas through the direct-to-home platform and broadband services through WiMAX and DSL technology. Millicom is focused on further diversifying the cable and digital media revenue streams by adding relevant local content to product offerings, such as local football broadcasting rights through its dedicated television channel and mobile app, Tigo Sports.

B2B

In addition to serving residential customers, Millicom is leveraging its existing fixed and mobile networks to capture business-to-business opportunities. Millicom is focused on expanding its offerings to include 4G services, data centres, cloud-based solutions and security products. Millicom's B2B customers include small and medium sized businesses, large national corporations, governments and multinationals. Millicom provides a wide range of digital products and services that are tailored to the needs of its B2B customers. With a significant Latin American footprint, Millicom is well-positioned to attract B2B business from major regional players who often prefer to work with a single provider across markets.

DESCRIPTION OF THE GROUP

MIC S.A.

The Issuer, MIC S.A., is a public limited liability company (*société anonyme*) governed by the laws of the Grand-Duchy of Luxembourg and by the 1915 Luxembourg Companies Act. MIC S.A. was formed on 14 December 1990 and incorporated on 16 June 1992, for an unlimited duration and registered with the Luxembourg Trade and Companies Register (*Registre due Commerce et des Sociétés de Luxembourg*) under the number RCS B 40 630. MIC S.A.'s registered office is in Luxembourg City at 2, rue du Fort Bourbon, L-1249 Luxembourg.

Under its articles of association (*statuts coordonnés*), MIC S.A.'s purpose is defined as follows:

[T]o engage in all transactions pertaining directly or indirectly to the acquisition and holding of participating interests, in any form whatsoever, in any Luxembourg or foreign enterprise, including but not limited to, the administration, management, control and development of such enterprise. [MIC S.A.] may, in connection with the foregoing purposes, (i) acquire or sell by way of subscription, purchase exchange or in any other manner equity or debt securities or other financial instruments representing ownership rights, claims or assets issue by, or offered or sold to, any public or private issuer, (ii) issue any debt instruments exercise any rights attached to the foregoing securities or financial instruments, and (iii) grant any type of direct or indirect assistance, in any form, to or for the benefit of subsidiaries, affiliates or other companies in which it holds a participation directly or indirectly, including but not limited to loans, guarantees, credit facilities, technical assistance.

In a general fashion [MIC S.A.] may carry out any commercial, industrial or financial operation and engage in such other activities as [MIC S.A.] deems necessary, advisable, convenient, incidental to, or not inconsistent with, the accomplishment and development of the foregoing.

MIC S.A.'s authorised share capital is \$199,999,800, represented by 133,333,200 shares with a par value of \$1.50. The issued share capital of MIC S.A. is \$152,608,825.50, represented by 101,739,217 shares with a par value of \$1.50, which are fully paid in.

Millicom's shares are listed on Nasdaq Stockholm in the form of Swedish Depository Receipts. Accordingly, Millicom's Corporate Governance Framework is primarily based on Luxembourg and other EU legislation, the listing requirements of Nasdaq Stockholm, the Swedish Code of Corporate Governance and good stock market practice.

History

In 1979, Kinnevik acquired a small mobile telephone company in Sweden, which became Comviq GSM. Also in 1979, Millicom Incorporated was formed to pursue cellular telephone opportunities in America. In 1982, the U.S. Federal Communications Commission awarded Millicom Incorporated one of three cellular development licenses. The same year, Millicom Incorporated formed a joint venture with Racal Electronics Plc, which ultimately became Vodafone Group Plc. Starting in 1983, Kinnevik and Millicom Incorporated began applying for cellular licenses internationally. MIC S.A. was formed on 14 December 1990 when Industriförvaltnings AB Kinnevik, an affiliate of Kinnevik, and Millicom Incorporated contributed their respective interests in international cellular joint ventures to form the Group.

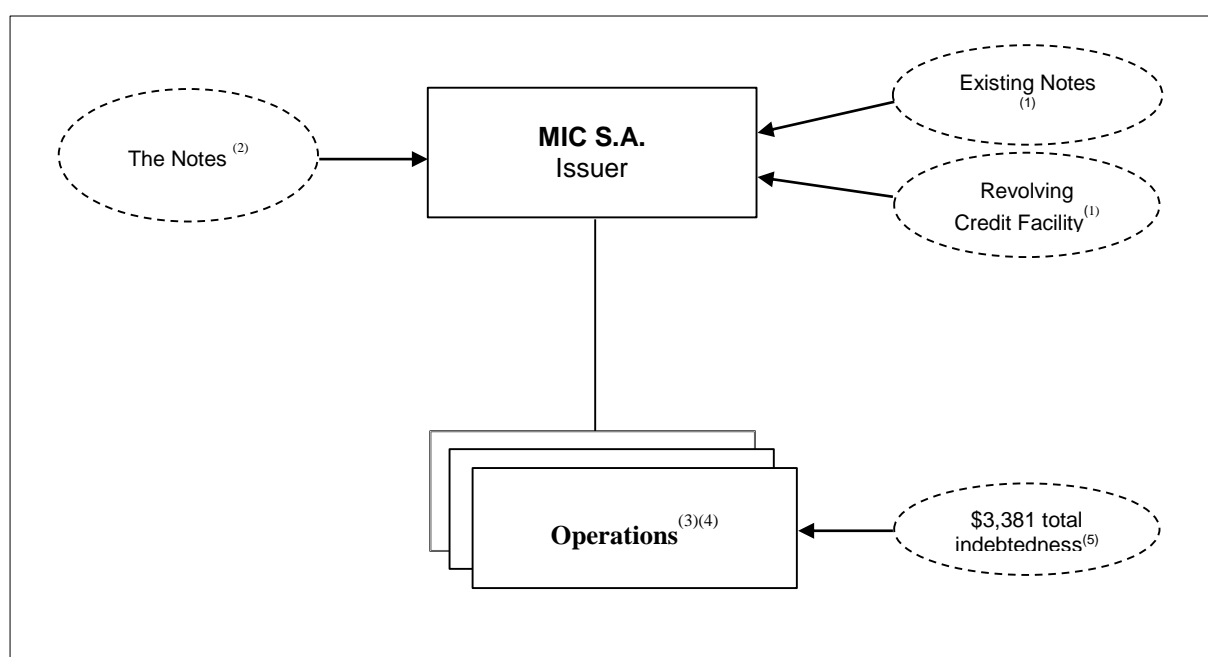
In 1993, MIC S.A. acquired Millicom Incorporated to facilitate listing on NASDAQ in the United States. In 2004, MIC S.A.'s shares started trading on Nasdaq Stockholm in the form of Swedish Depository Receipts. In 2011, MIC S.A. voluntarily delisted its shares from NASDAQ and

consolidated the listing of its shares onto one single exchange, Nasdaq Stockholm. MIC S.A.'s shares are traded as Swedish Depositary Receipts on Nasdaq Stockholm under the symbol "MIC SDB" and over the counter in the United States under the symbol "MIICF".

Group Structure

MIC S.A. is a holding company and the ultimate parent of the Group. Kinnevik owns 37.2 per cent. of MIC S.A. MIC S.A.'s operations are conducted via directly and indirectly owned operating subsidiaries, joint ventures and associates located in each country in which the Group operates and its shares are listed on Nasdaq Stockholm. The following is a simplified structure chart showing the Group's corporate structure.

MIC S.A. depends on cash flow from its operating subsidiaries to service its indebtedness, which may be limited by local law, see "*Risk Factors—Risk relating to MIC S.A.—MIC S.A. is a holding company, and as a result, it is dependent on cash flow from its operating subsidiaries to service its indebtedness, which may be limited by local law*".



- (1) MIC S.A. had \$2,003 million in total direct indebtedness as at 31 December 2015, comprising the amounts outstanding under the SEK 2 billion in senior notes due 2017 (the "**Existing SEK Bonds**"), the \$500 million 4.75 per cent. senior notes due 2020, the \$800 million 6.625 per cent. senior notes due 2021 and the \$500 million 6.00 per cent. senior notes due 2025. As at 31 December 2015, MIC S.A. also had \$65 million of carrying value of foreign currency hedges on the Existing SEK Bonds. On 21 April 2016 and 2 May 2016, MIC S.A. repurchased 1,571,000,000 and 113,000,000 Existing SEK Bonds, respectively. MIC S.A. also entered into a \$500 million revolving credit agreement in June 2014 (the "**Revolving Credit Facility**"), which was undrawn as at 31 December 2015. On 21 April 2016, MIC S.A. issued the Notes described herein.
- (2) The Notes are general senior obligations of MIC S.A. and are not guaranteed by any of MIC S.A.'s subsidiaries.
- (3) Not all of MIC S.A.'s subsidiaries are wholly-owned: (a) MIC S.A. has an approximate 66.7 per cent. and 55 per cent. equity interest in its Honduras and Guatemalan subsidiaries, respectively, which are accounted for under the equity method since 31 December 2015; (b) MIC S.A. owns 50 per cent. plus one voting share of Millicom's Colombian operations, UNE, and has effective control over management and the company's board of directors, so UNE's results are fully consolidated the Group's results of operations; (c) MIC S.A. has an 85 per cent. ownership interest in its Zanzibar subsidiary, Zanzibar Telecom ("**Zantel**"), which is fully consolidated into the Group's results of operations; and (d) on 20 April 2016, Millicom completed the sale of 100 per cent. of its ownership interest in Oasis S.A., its wholly-owned subsidiary operating in the Democratic Republic of Congo, to Orange Telecom.
- (4) For fiscal year 2015, MIC S.A.'s subsidiaries, joint ventures and associates, none of which guarantee the Notes, had \$3,381 million of total indebtedness and MIC S.A.'s consolidated subsidiaries had \$2,007 million as at 31 December 2015. See "*Risk Factors—Risk relating to the Notes—The Notes are structurally subordinated to all indebtedness of the Group's subsidiaries and effectively subordinated to any of MIC S.A.'s existing and future obligations that are secured by assets or property that do not secure the Notes*".
- (5) Includes the obligations of MIC S.A.'s Honduras and Guatemalan subsidiaries, which are no longer consolidated.

Principal shareholders

The table below sets out certain information known to Millicom as at 31 March 2016, unless indicated otherwise, with respect to beneficial ownership of Millicom common shares, par value \$1.50 each, by each person who beneficially owns more than 5 per cent. of Millicom common shares.

Name of Shareholder	Number of shares	Percentage of voting shares
Investment AB Kinnevik.....	37,835,438	37.2%
Dodge & Cox.....	10,467,203	10.3%
Nordea Funds Oy.....	5,225,232	5.1%
Veritas Asset Management (UK) Ltd.....	5,182,087	5.1%

For the purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares as at a given date which such person or group of persons has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by the holders on a given date, any security which such holder has the right to acquire within 60 days after such date (including shares which may be acquired upon exercise of vested portions of share options) is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

MIC S.A. is not aware that any person other than the holders listed above has voting and investment power with respect to these shares. The holders listed above have the same voting rights as all other holders of MIC S.A.'s common shares. To MIC S.A.'s knowledge, there are no shareholders' agreements or other agreements between its shareholders that give joint influence over MIC S.A. or the Group.

Kinnevik

MIC S.A.'s principal shareholder is Kinnevik, an entrepreneurial investment group focused on investing in digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment and Financial Services. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker symbols "KINV A" and "KINV B". Since 2010, Kinnevik has not purchased any MIC S.A. shares.

Board of directors

MIC S.A.'s board of directors currently consists of eight members and must have at least six members. The office of MIC S.A.'s board of directors and senior management is 2, rue du Fort Bourbon, L-1249 Luxembourg.

MIC S.A.'s directors, their positions, years of election to the board and years of birth are set forth in the table below.

Name ⁽¹⁾	Position	Year first Elected	Born in
Mr Tom Boardman ⁽¹⁾⁽²⁾	Chairman	2016	1949
Mr José Miguel García Fernández ⁽³⁾	Member	2016	1962
Mr Odilon Almeida.....	Member	2015	1961
Ms Janet Davidson.....	Member	2016	1958
Mr Simon Duffy.....	Member	2016	1949
Mr Tomas Eliasson.....	Member	2014	1962
Mr Lorenzo Grabau ⁽²⁾	Member	2013	1965

Name⁽¹⁾	Position	Year first Elected	Born in
Mr Alejandro Santo Domingo	Member	2013	1977

(1) Elected as Chairman on 17 May 2016.

(2) Not independent from major shareholders (Kinnevik).

(3) Elected as Deputy Chairman on 17 May 2016.

Mr Tom Boardman, Chairman, Non-Executive Director and Member of the Audit Committee, Compensation Committee and Compliance and Business Conduct Committee

Mr Boardman has served as a director of the board of Kinnevik since 2011 and was elected chairman of the Kinnevik board in May 2016. He also serves as chairman of Athena Capital, a non-executive director of Nedbank Group, Woolworths Holdings, Royal Bafokeng Holdings and African Rainbow Minerals, and was a non-executive director of Vodacom Group between 2009 and 2011. Mr Boardman held various managerial positions within the South African mining and retailing industries during 1973–1986. Between 1986 and 2002, he held managerial positions within the BoE Bank. Between 2003 and 2010, he served as Chief Executive of Nedbank Group.

Education: Bachelor of Commerce and Certificate in Theory of Accounting, University of Witwatersrand, South Africa.

Mr José Miguel García Fernández, Deputy Chairman of the Board, Non-Executive Director and Member of the Audit Committee and the Compensation Committee

Mr García recently stepped down as Co-Chief Executive Officer of Orange España. He currently serves as a consultant to the Orange Group on matters relating to the transformation of its European business units. Between 2006 and 2015, he served as CEO of the Spanish telecommunications operator Jazztel, and he held various managerial positions within Cable & Wireless, plc from 2000–2006 including CEO for Spain and Portugal, Executive Vice President for Europe and CEO of UK & Ireland and of Panama. Prior to that, he served as Executive President and CEO for Spain and Portugal at Case Technology, a company he founded, which was acquired by Cable & Wireless in 2000. Mr García has also served as an advisory board member in various companies in which he has invested.

Education: Bachelor of Science in Electrical & Electronic Engineering and Master's degree in Digital Telecommunications, Monash University, Australia.

Mr Odilon Almeida, Non-Executive Director, Chairman of the Compliance and Business Conduct Committee

Mr Almeida is currently the President for the Americas and European Union Region at Western Union, with responsibility for Western Union's business across 98 countries, encompassing all of the company's products and services in North America, Latin America, the Caribbean and Europe. He joined Western Union in 2002, and assumed his current position in 2014. Prior to joining Western Union, Mr Almeida held positions at FleetBoston Financial, The Coca-Cola Company and Colgate-Palmolive, working in Brazil, Canada, Mexico and the United States.

Education: Bachelor's degree in Engineering, Maua Engineering School in São Paulo, Brazil, and in Business Administration, University of São Paulo, Brazil; Master of Business Administration with specialisation in Marketing, the Getulio Vargas Foundation, São Paulo, Brazil; advanced education at IMD Lausanne, The Wharton School, and Harvard Business School.

Ms Janet Davidson, Non-Executive Director and Member of the Compliance and Business Conduct Committee

Ms Davidson has served as a supervisory board member of STMicroelectronics since 2013. Prior to that, during a tenure of over thirty years at Alcatel-Lucent S.A., Ms Davidson held a number of key positions at the company. Most recently, she served as President of Quality Assurance & Customer Care and Executive Vice President (2009–2011). Ms Davidson's other roles within the company included Chief Compliance Officer and Chief Strategy Officer, Head of Corporate Strategy and Business Development, President of Alcatel-Lucent USA, Inc. and President of Integrated Network Solutions. She began her career as a member of the technical staff in Bell Labs and has extensive experience in software design and development, global product strategy, marketing and product management. Between 2011 and 2014, she served as a director of the Alcatel-Lucent Foundation. She has also served as a director of LGS Innovations, LLC and as a member of the advisory board of Digital Reef, Inc.

Education: Bachelor of Science, Lehigh University; Master of Science Electrical Engineering, Georgia Institute of Technology; Master of Science in Computer Science, Bell Laboratories.

Mr Simon Duffy, Non-Executive Director and Member of the Audit Committee

Mr Duffy is a non-executive chairman of YouView TV and of Mblox Inc. and as non-executive director of Modern Times Group AB, Oger Telecom, and Wizz Air. Mr Duffy was Executive Chairman of Tradus from 2007 until the company's sale in March 2008. He was also Executive Vice Chairman of ntl:Telewest until 2007, having joined ntl in 2003 as CEO. Mr Duffy has also served as CFO of Orange SA, CEO of wireless data specialist End2End, CEO and Deputy Chairman of WorldOnline International, and has held senior positions at EMI Group and Guinness.

Education: Bachelor of Arts in Philosophy, Politics and Economics, Oxford University; Master of Business Administration, Harvard University.

Mr Tomas Eliasson, Non-Executive Director and Chairman of the Audit Committee

Mr Eliasson is Executive Vice President, Chief Financial Officer of Sandvik, having joined Sandvik in April 2016. Previously, he served as Chief Financial Officer and Senior Vice-President of Electrolux, the Swedish household and professional appliances manufacturer, since 2012. Mr Eliasson also held various management positions in Sweden and abroad, at the leading power and automation technologies company ABB Group, between 1987 and 2002. Mr Eliasson was Chief Financial Officer of the tools manufacturer Seco Tools AB from 2002 to 2006 and Chief Financial Officer of the intelligent lock and security solutions company Assa Abloy AB from 2006 to 2012.

Education: Bachelor of Science in Business Administration and Economics, the University of Uppsala.

Mr Lorenzo Grabau, Non-Executive Director and Chairman of the Compensation Committee

Mr Grabau is the Chief Executive Officer of Kinnevik. Mr Grabau began his career as an analyst for the investment bank, Merrill Lynch, in the mergers and acquisitions department, before joining Goldman Sachs International, where he later became Partner and Managing Director in 1999. Mr Grabau is chairman of the board of directors of emerging markets e-commerce company Global Fashion Group SA. He is also a member of the board of directors of the leading European fashion e-commerce company Zalando SE, of the telecommunications operator Tele 2 AB and of the Nordic e-commerce and financial services provider Qliro Group AB.

Education: Degree in Economics and Business, La Sapienza University, Italy.

Mr Alejandro Santo Domingo, Non-Executive Director and Member of the Compliance and Business Conduct Committee

Mr Santo Domingo is Senior Managing Director at Quadrant Capital Advisors Inc., a venture capital and private equity investment advisory firm. Mr Santo Domingo is also a member of the board of directors of SABMiller Plc, the world's second largest brewery, and serves as vice-chairman of SABMiller Latin America. Mr Santo Domingo is chairman of the board of the beverage company, Bavaria S.A. in Colombia, and of Backus & Johnston in Peru. He also serves as chairman of the board of Valorem S.A., which manages industrial and media assets in Latin America. Mr. Santo Domingo is also a director of JDE (Jacobs Douwe Egberts), Florida Crystals, the world’s largest sugar refiner, Caracol TV, Colombia’s leading broadcaster, El Espectador, a leading Colombian daily, and Cine Colombia, Colombia’s leading film distribution and movie theatre company.

Education: Bachelor of Arts, Harvard University.

Senior management

Millicom's senior management are as follows:

Name	Position	Born in
Mauricio Ramos	Chief Executive Officer	1968
Tim Pennington	Chief Financial Officer	1960
Salvador Escalón	Executive Vice President, General Counsel	1975
Cynthia Gordon	Executive Vice President, CEO Africa Division	1962
Xavier Rocoplan	Executive Vice President, Chief Technology and Information Officer	1974
Rachel Samrén	Executive Vice President, External Affairs	1974
Victor Unda	Executive Vice President, Chief Commercial Officer–Latam Region	1976
Daniel Loria	Executive Vice President, Human Resources	1959

Mauricio Ramos, Chief Executive Officer

Mauricio Ramos joined Millicom in April 2015 as Chief Executive Officer (CEO). Before joining Millicom, he was President of Liberty Global's Latin American division, a position he held from 2006 until February 2015. During his career at Liberty Global, Mr Ramos held several leadership roles, including positions as Chairman and CEO of VTR in Chile and President of Liberty Puerto Rico. Throughout this period he has successfully developed both mobile and broadband businesses in Latin America, delivering solid operational improvement and outstanding financial results. Mr Ramos also serves as Chairman of TEPAL, the Latin American Association of Cable Broadband Operators.

Education: Degree in Economics, degree in Law, and postgraduate degree in Financial Law, Universidad de los Andes, Bogotá, Colombia.

Tim Pennington, Chief Financial Officer

Mr Pennington joined Millicom in June 2014 as Chief Financial Officer. Previously, he was the Chief Financial Officer at Cable and Wireless Communications, Group Finance Director for Cable and Wireless Plc and, prior to that, CFO of Hutchison Telecommunications International Ltd, listed in Hong Kong and New York. Mr Pennington was also Finance Director of Hutchison 3G (UK),

Hutchison Whampoa's British mobile business. He also has corporate finance experience, firstly as Director in the Specialised Financing Department at Samuel Montagu & Co. Limited, and then as Managing Director of HSBC Investment Bank within its Corporate Finance and Advisory Department. Mr Pennington also serves as a director of Millicom's jointly owned businesses in Colombia, Guatemala and Honduras, and its wholly owned businesses in Chad, Senegal, Ghana and Tanzania.

Education: Bachelor of Arts (Honours) in Economics and Social Studies, University of Manchester.

Salvador Escalón, Executive Vice President, General Counsel

Mr Escalón was appointed as Millicom's General Counsel in March 2013 and became Executive Vice President in July 2015. Mr Escalón leads Millicom's legal team and advises the board of directors and senior management on legal, governance and compliance matters. He first joined Millicom as Associate General Counsel Latin America in April 2010. In this role he successfully led legal negotiations for the merger of Millicom's Colombian operations with UNE-EPM Telecomunicaciones S.A., as well as the acquisition of Cablevision Paraguay. From January 2006 to March 2010, Mr Escalón was Senior Counsel at Chevron Corporation, with responsibility for legal matters relating to Chevron's downstream operations in Latin America. Previously, he was in private practice at the law firms Skadden Aps, Slate, Meagher & Flom LLP, Morgan, Lewis & Bockius LLP and Akerman Senterfitt.

Education: Bachelor of Business Administration in Finance and International Business, Florida International University; Juris Doctorate, Columbia Law School.

Cynthia Gordon, Executive Vice President, CEO Africa Division

Ms Gordon joined Millicom in September 2015 as EVP, CEO Africa Division. Ms Gordon was previously Chief Commercial Officer at Ooredoo, which is Qatar's leading communications company, delivering mobile, fixed, broadband internet and B2B services to consumers and businesses across the Middle East and Asia. Ms Gordon was responsible for marketing, distribution and customer services and focused on optimising performance by reviewing and implementing commercial strategies to drive revenue and profitable growth. Ms Gordon has experience in both emerging and developed markets and built her Africa experience at Ooredoo as well as while at Orange, where she was VP of Partnerships and Emerging Markets. As Group Chief Commercial Officer at MTS in Russia, Ms Gordon led the commercial strategy and direction for the company. While at MTS, Ms Gordon helped develop simplified tariffs and focused marketing strategies, building a global brand. Ms Gordon also serves as a director of Millicom's jointly owned business, Zantel, and Millicom's wholly-owned operation in Chad.

Education: Bachelor of Arts (Honours) in Business Studies, Brighton University.

Xavier Rocoplan, Executive Vice President, Chief Technology and Information Officer.

Mr Rocoplan started working with Millicom in 2000 and joined the Executive Committee as Chief Technology and IT Officer in December 2012. He currently heads all mobile and fixed network and IT activities across the group as well as all procurement and supply chain activities. Mr Rocoplan first joined Millicom in 2000 as CTO in Vietnam and subsequently for South East Asia. In 2004, he was appointed CEO of Millicom's subsidiary in Pakistan (Paktel), a role he held until mid-2007. During this time, he launched Paktel's GSM operation and led the process that was concluded with the disposal of the business in 2007. Mr Rocoplan was then appointed as head of Corporate Business Development, where he managed the disposal of various Millicom operations in Asia, the monetisation of Millicom infrastructure assets as well as numerous spectrum acquisitions and license renewal processes in Africa and in Latin America. Mr Rocoplan also serves as a Director of Millicom's wholly owned businesses in Bolivia, Costa Rica and El Salvador.

Education: Master degrees, École Nationale Supérieure des Télécommunications de Paris and Université Paris IX Dauphine.

Rachel Samrén, Executive Vice President, External Affairs

Ms Samrén joined Millicom in July 2014 and manages the Group's Government Relations, Corporate Communications and Corporate Responsibility functions. Her focus is on driving Millicom's global engagement with particular responsibility for special situation strategies. Ms Samrén's background is in the risk management consulting sector, most recently as Head of Business Intelligence at The Risk Advisory Group plc. Previously, she worked for Citigroup as well as non-governmental and governmental organisations. Ms Samrén currently serves as Chairman of the board of directors of Reach for Change and Zantel.

Education: Bachelor of Science in International Relations, London School of Economics and Political Science; Master of Letters in International Security Studies, University of St Andrews.

Victor Unda, Executive Vice President, Chief Commercial Officer—Latam Region

Mr Unda started working with Millicom in 2000 and was appointed Executive Vice President, Chief Commercial Officer—LatAm Region in January 2015. Mr Unda first joined Millicom in 2000 as a customer service manager for Tigo Guatemala. He was later appointed International Business Director and head of regulatory affairs (2004 to 2007) before becoming Tigo Guatemala's General Manager (GM). Mr Unda has more than fifteen years of experience in team building, strategic organisational leadership and relationship management. Since 2013, as Senior Vice President, Commercial, he has driven the financial performance of all global activities in Sales and Distribution, Product Development, Customer operations, Digital and Valued Added Services. Mr Unda also serves as a Director of Millicom's jointly owned businesses in Colombia and Honduras, and its wholly owned businesses in Costa Rica, El Salvador and Nicaragua.

Education: Bachelor of Science in Industrial Engineering, North Carolina State University; Master of Business Administration University of Notre Dame; Master of Arts, Harvard Business School; Advanced Executive Program, Kellogg School of Management, Northwestern University.

Daniel Loria, Executive Vice President, Human Resources

Mr Loria was appointed Executive Vice President of Human Resources ("**HR**") in April 2016. Prior to joining Millicom, from 2009, Mr Loria was Head of HR for Syngenta North America, the global agriculture company in Switzerland, where he supported and completed key business and HR transformations. Mr Loria's background in HR leadership includes roles at country, regional and corporate levels. Previously, he was Regional Head of HR for Royal & Sun Alliance Latin America (2007–2009); Global Head of HR for Novartis' Vaccines and Diagnostics division and HR Head of Novartis Pharmaceuticals in Latin America (2003–2007); additional experience includes his role as Senior HR Officer and Regional Vice President, Latin America North at Citibank International (1998–2003). Mr Loria has also worked for Kellogg Company in the United States and Latin America, and taught as professor and as Organisational Communications Specialist at the Monterrey Institute of Technology and Higher Education (ITESM).

Education: Degree in Business Communications, ITESM Queretaro; Master of Arts in Communications and Public Relations, California State University (studied as a Fulbright Scholar).

Conflicts of Interest

Except as set forth below, no director or member of the Executive Committee has any personal interests that could conflict with the interests of MIC S.A. Directors and members of the Executive Committee may own shares in MIC S.A.

Tom Boardman, the chairman of the board of directors MIC S.A., is also the Chairman of the Kinnevik board of directors. In addition, Lorenzo Grabau, a non-executive director of MIC S.A., also serves as Chief Executive Officer of Kinnevik.

Millicom conducts transactions with a number of its related parties including: Kinnevik and subsidiaries; Helios Towers Africa Ltd (in which Millicom has a direct equity interest); EPM and subsidiaries (the non-controlling shareholder in the Group's Colombian operation); and Miffin Associates Corp and subsidiaries (Millicom's joint venture partner in Guatemala). Transactions with related parties are conducted on normal commercial terms and conditions.

Auditors

Ernst & Young S.A. has served as MIC S.A.'s auditor since its re-election at the General Meeting of the Shareholders on 17 May 2016. MIC S.A. generally elects its auditors to serve one year terms. Olivier Lemaire is the auditor in charge. Mr Lemaire is an authorised public accountant and member of the IRE (*Institut des Réviseurs d'Entreprises*). Ernst & Young S.A.'s office address is 35E avenue John F. Kennedy, L1855 Luxembourg. Ernst & Young S.A. has been MIC S.A.'s auditor throughout the entire period which the historical financial information in this Prospectus covers.

HISTORICAL FINANCIAL INFORMATION

Documents Incorporated by Reference

Millicom's consolidated annual reports and audit reports for the financial years 2014 and 2015 and its unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2016 are incorporated into this Prospectus by reference and are available in electronic format on its webpage, www.millicom.com.

Millicom's consolidated annual reports have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

Other than the auditing of Millicom's annual reports for the financial years 2014 and 2015, the Group's auditor has not audited any part of this Prospectus.

Millicom's consolidated income statement, balance sheet, statement of cash flows, statement of changes in equity and audit report for 2015 can be found in its annual report for 2015, at the pages set out below:

- consolidated statement of income, page 48;
- consolidated statement of comprehensive income, page 49;
- consolidated statement of financial position, pages 50-51;
- consolidated statement of cash flows, page 52;
- consolidated statement of changes in equity, page 53; and
- audit report, page 43.

Millicom's consolidated income statement, balance sheet, statement of cash flows, statement of changes in equity and audit report for 2014 can be found in its annual report for 2015, at the pages set out below:

- consolidated income statement, page 70;
- consolidated statement of comprehensive income, page 71;
- consolidated statement of financial position, pages 72-73;
- consolidated statement of cash flows, pages 74-75;
- consolidated statement of changes in equity, page 76; and
- audit report, page 69.

LEGAL AND SUPPLEMENTARY INFORMATION

Legal and Arbitral Proceedings

In October 2015, Millicom reported potential improper payments made on behalf of the Group's joint venture in Guatemala. The case is currently under investigation and is at an early stage of development. For more information, see "*Risk Factors—Risks Relating to the Group's business and the telecommunications industry—*".

In June 2015, Millicom identified that an incorrect filing related to one of its African operations had been made in the commercial register. As a result of that erroneous entry, the register incorrectly indicates that shares in Millicom's operation were transferred to a third party. Millicom is engaged in legal proceedings and believes there is no valid basis whatsoever for this entry to have been made.

A lawsuit filed against Millicom Ghana by E-Talk Limited (E-Talk) in November 2011, alleged that Millicom Ghana terminated a July 2006 contract with insufficient notice. The total value of the claim is approximately \$30 million, including various general damages, loss of expected revenues and punitive damages. Management considers this claim as opportunistic and without foundation, in so far as it was filed more than four years after the events on which the plaintiff bases its claim. A provision of less than \$1 million has been made for legal costs related to this claim.

A claim was filed with the Civil Chamber of Bogotá in Colombia against all mobile operators in Colombia in 2013, including Millicom's subsidiary in Colombia, by a group of approximately twenty individuals for approximately \$753 million. The claimants allege damages and losses suffered from third parties through illegal use of cellular phones in extortion attempts against the claimants. The case has been inactive, with the exception of a mandatory settlement conference held among the parties under the court's supervision, which did not result in a settlement agreement. This claim is considered by management to be entirely spurious and without foundation or substance. As a result, no provision has been made for this claim.

In addition, the Group is involved in a number of legal proceedings and arbitration proceedings that have arisen in the ordinary course of business. While Millicom does not expect these proceedings to have a material adverse effect on its business or consolidated financial position, the outcome of such proceedings, can be extremely difficult to predict with certainty, and there can be no assurances that these matters will be successfully resolved.

Material Contracts

Except as described below, the Group has not entered into any material contracts outside the ordinary course of its business which could have a material impact on MIC S.A.'s ability to meet its obligations under the Notes.

Existing Notes

4.75 per cent. Notes

On 22 May 2013, MIC S.A. issued a \$500 million, seven-year bond with an interest rate of 4.75 per cent. at an issue price of 99.266 per cent. (the "**4.75 per cent. Notes**"). The 4.75 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in May 2013.

The 4.75 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 4.75 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all

outstanding 4.75 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

Prior to 22 May 2017, MIC S.A. may redeem all or a portion of the 4.75 per cent. Notes at a purchase price equal to 100 per cent. of the principal amount plus the applicable premium and all accrued but unpaid interest. On or after 22 May 2017, MIC S.A. may redeem all or a portion of the 4.75 per cent. Notes at specified redemption prices plus accrued and unpaid interest.

Upon the occurrence of certain changes in tax law, MIC S.A. may redeem all of the 4.75 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

6.625 per cent. Notes

On 16 October 2013, MIC S.A. issued an \$800 million, eight-year bond with an interest rate of 6.625 per cent. at an issue price of 100 per cent. (the "**6.625 per cent. Notes**"). The 6.625 per cent. Notes were listed on the Luxembourg Stock Exchange in October 2013.

The 6.625 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 6.625 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 6.625 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

Prior to 15 October 2017, MIC S.A. may redeem all or a portion of the 6.625 per cent. Notes at a purchase price equal to 100 per cent. of the principal amount plus the applicable premium and all accrued but unpaid interest. On or after 15 October 2017, MIC S.A. may redeem all or a portion of the 6.625 per cent. Notes at specified redemption prices plus accrued and unpaid interest.

Prior to 15 October 2016, MIC S.A. may redeem up to 35 per cent. of the 6.625 per cent. Notes with the proceeds of certain equity offerings or the sale of certain specified subsidiaries at a redemption price equal to 106.625 per cent. of the principal amount of the Notes redeemed, plus accrued and unpaid interest.

Upon the occurrence of certain changes in tax law, MIC S.A. may redeem all of the 6.625 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

6.00 per cent. Notes

On 16 March 2015, MIC S.A. issued a \$500 million, ten-year bond with an interest rate of 6.00 per cent. (the "**6.00 per cent. Notes**"). The 6.00 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in March 2015.

The 6.00 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 6.00 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 6.00 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

Prior to 15 March 2020, during each 12-month period commencing on the issue date, MIC S.A. may redeem up to 10 per cent. of the original aggregate principal amount of the Notes at a redemption price equal to 103 per cent. of the principal amount of the Notes redeemed, plus accrued and unpaid interest.

Prior to 15 March 2020, MIC S.A. may redeem all or a portion of the 6.00 per cent. Notes at a purchase price equal to 100 per cent. of the principal amount plus the applicable premium and all accrued but unpaid interest. On or after 22 May 2017, MIC S.A. may redeem all or a portion of the 6.00 per cent. Notes at specified redemption prices plus accrued and unpaid interest.

Prior to 15 March 2018, MIC S.A. may redeem up to 40 per cent. of the 6.00 per cent. Notes with the proceeds of certain equity offerings or the sale of certain specified subsidiaries at a redemption price equal to 106.00 per cent. of the principal amount of the Notes redeemed, plus accrued and unpaid interest.

Upon the occurrence of certain changes in tax law, MIC S.A. may redeem all of the 6.00 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

Revolving Credit Facility

In June 2014, MIC S.A. entered into a \$500 million revolving credit facility with a consortium of banks (the "**Revolving Credit Facility**"), including the Joint Bookrunners, of which \$200 million ("**Facility A**") is for a two-year term and \$300 million ("**Facility B**") is for a three-year term. The Revolving Credit Facility is a senior unsecured obligation of MIC S.A. Subject to the terms of the Revolving Credit Facility, the maturity date of all or a portion of the amounts outstanding under Facility A may be extended for one year and under Facility B may be extended for either one or two years. Amounts drawn under the Revolving Credit Facility may be used for general corporate and working capital purposes of the Group, including financing acquisitions, licenses, capital expenditure, and payment of dividends to the extent permitted under the Revolving Credit Facility agreement. Interest on amounts drawn under the Revolving Credit Facility is payable at LIBOR or EURIBOR, as applicable, plus an initial margin of 1.3 per cent. (for Facility A) or 1.4 per cent. (for Facility B), provided that the margin may be reduced or increased if the net leverage ratio of MIC S.A. in respect of the most recently completed financial year is within a specified range.

MIC S.A. is the "Borrower" under the Revolving Credit Facility; however, MIC S.A. may request that any of its wholly owned subsidiaries become an "Additional Borrower", subject to approval of all lenders, confirmation that no default is continuing or would occur as a result of that subsidiary becoming an Additional Borrower, and delivery of satisfactory documentation to the agent.

Loans outstanding under the Revolving Credit Facility may be declared immediately repayable if, among other things, MIC S.A. is not the surviving entity in a merger or upon the occurrence of a change of control of MIC S.A. or if an event of default (other than a payment default) occurs with

respect to other indebtedness and the amount of the affected indebtedness, together with any indebtedness that is the subject of a payment default or the due date of which is accelerated following any other event of default, is equal to or greater than \$50 million. In addition, the due date of all loans outstanding under the Revolving Credit Facility may be accelerated upon the occurrence of an event of default under the Revolving Credit Facility Agreement.

MIC S.A. is required to retain, at all times (i) a net leverage ratio below 3.0x, tested on a pro forma basis to include all applicable financial indebtedness and calculated as if such financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the relevant incurrence date and (ii) an interest coverage ratio of at least 4.0x, tested quarterly. In addition, MIC S.A. is required to ensure that none of its subsidiaries will incur or allow to remain outstanding any debt if such debt would result in a net leverage ratio of 2.0x or more (excluding all interest bearing obligations that only have recourse against MIC S.A. and any consolidated EBITDA generated by MIC S.A.). The Revolving Credit Facility agreement includes additional covenants which, among other things, restrict MIC S.A.'s ability to incur additional indebtedness, grant liens, dispose of assets and (if any amounts are outstanding under the facility) pay dividends while an event of default is continuing.

The Revolving Credit Facility is governed by English law. In May 2015, both facilities were extended for one year. As at 31 December 2015, the facilities were undrawn.

Trust Deed

The Notes are governed by English law and are constituted by a trust deed. Upon constitution, such notes are deemed trust property held by the trustee on trust for the noteholders. While the MIC S.A. owes the obligations set out in the Terms and Conditions to the Noteholders, the MIC S.A. also makes further payment and performance covenants in favour of the Trustee to enable it to perform its role. MIC S.A. and the Trustee entered into the Trust Deed in respect of the Notes on 18 April 2016. In addition, pursuant to an Agency Agreement between MIC S.A. and the Trustee dated 18 April 2016, MIC S.A. has agreed to pay the Trustee certain fees to the Trustee for serving as Trustee under the Trust Deed.

Significant Changes and Trend Information

Save as described below, there has been no significant change in the financial position or trading position of the Group since the date of publication of the most recent interim quarterly report, being 26 April 2016.

- On 2 May 2016, MIC S.A. completed the repurchase of its Existing SEK Notes pursuant to the second of two tender offers launched in April 2016. MIC S.A. repurchased a total of 1,684,000,000 in aggregate principal amount of the Existing SEK Notes pursuant to these tender offers.
- On 4 May 2016, Millicom received a notification from the Swedish Public Prosecutor that it had discontinued its preliminary investigation due to lack of jurisdiction.

No material adverse changes in the prospects of MIC S.A. or the Group as a whole since the date of publication of the latest consolidated audited financial report of MIC S.A. has occurred.

Certain Material Interests

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for MIC S.A. and the Group. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or engaging in future, transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Costs related to Listing of the Notes

The estimated costs related to the listing of the Notes are estimated to be approximately SEK 60,000.

Documents on Display

Copies of the following documents will be on display at MIC S.A.'s office, 2 rue du Fort Bourbon, L-1249 Luxembourg, on business days during ordinary office hours:

- MIC S.A.'s articles of association
- MIC S.A.'s consolidated annual reports and audit reports for the financial years 2014 and 2015
- MIC S.A.'s unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2016
- This Prospectus
- The Trust Deed, which includes the Terms and Conditions
- The Agency Agreement

TERMS AND CONDITIONS



**TERMS AND CONDITIONS FOR
MILlicom INTERNATIONAL CELLULAR S.A.
SEK 2,000,000,000
SENIOR UNSECURED FLOATING RATE NOTES
ISIN: SE0008242986**

TABLE OF CONTENTS

1. DEFINITIONS AND CONSTRUCTION..... 42

2. STATUS OF THE NOTES 66

3. USE OF PROCEEDS 67

4. CONDITIONS PRECEDENT 67

5. NOTES IN BOOK-ENTRY FORM..... 67

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER 68

7. PAYMENTS IN RESPECT OF THE NOTES 68

8. INTEREST 69

9. REDEMPTION AND REPURCHASE OF THE NOTES 69

10. INFORMATION TO NOTEHOLDERS..... 73

11. GENERAL UNDERTAKINGS 74

12. ACCELERATION OF THE NOTES..... 78

13. DISTRIBUTION OF PROCEEDS 80

14. DECISIONS BY NOTEHOLDERS 81

15. NOTEHOLDERS’ MEETING..... 83

16. WRITTEN PROCEDURE 84

17. AMENDMENTS AND WAIVERS..... 85

18. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE..... 85

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT 88

20. APPOINTMENT AND REPLACEMENT OF THE CSD 89

21. NO DIRECT ACTIONS BY NOTEHOLDERS 89

22. PRESCRIPTION 89

23. NOTICES AND PRESS RELEASES 89

24. FORCE MAJEURE AND LIMITATION OF LIABILITY 90

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999..... 90

26. GOVERNING LAW AND JURISDICTION 91

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 operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

"**Acquired Debt**" means Financial Indebtedness of the Issuer or any of its Subsidiaries:

- (a) incurred and outstanding on the date on which a Subsidiary (i) was acquired by the Issuer or any of its Subsidiaries or (ii) is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or its Subsidiary; or
- (b) incurred to provide all or part of the funds utilised to consummate the transaction or series of related transactions pursuant to which such person became a Subsidiary of the Issuer or was otherwise acquired by the Issuer or its Subsidiary;

provided that, after giving pro forma effect to the transactions by which such person became a Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with the Issuer or its Subsidiary, (i) the Issuer would have been able to incur \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to clause (i) of Condition 11.3 hereof; or (ii) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions.

"**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.

"**Additional Notes**" means any Notes issued after the First Issue Date on one or more occasions.

"**Affiliate**" means (i) means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding 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).

"**Asset Disposition**" means any transfer, conveyance, sale, lease or other disposition by the Issuer or any of its Subsidiaries (including a consolidation or merger or other sale of any such Subsidiary with, into or to another person in a transaction in which such Subsidiary ceases to be a Subsidiary of the Issuer of (i) shares of Capital Stock (other than directors' qualifying shares and shares to be held by third parties to satisfy applicable legal requirements) or other ownership interests of a Subsidiary of the Issuer, (ii) substantially all of the assets of the Issuer or any of its Subsidiaries representing a division or line of

business or (iii) other assets or rights of the Issuer or any of its Subsidiaries outside of the ordinary course of business; **provided** that the term "Asset Disposition" shall not include:

- (a) any dispositions of assets in a single transaction or series of transactions with an aggregate Fair Market Value in any calendar year of not more than the greater of (x) \$25 million (or its equivalent in any other currency or currencies) and (y) 1 per cent. of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$25 million (or its equivalent in any other currency or currencies) and 1 per cent. of Total Assets of carried over amounts for any calendar year);
- (b) any disposition of Tower Equipment, including any sale/leaseback transaction; provided that any cash or Cash Equivalents received in connection with such disposition or sale/leaseback transaction must be applied in accordance with Condition 11.5;
- (c) any Specified Subsidiary Sale;
- (d) the sale, transfer or other disposition of all of the Capital Stock of Oasis s.p.r.l., a wholly owned Subsidiary of the Company incorporated under the laws of the Democratic Republic of the Congo;
- (e) a transfer of assets between or among the Issuer and any of its Subsidiaries;
- (f) the issuance of Capital Stock by a Subsidiary to the Issuer or to another Subsidiary of the Issuer;
- (g) any disposition of Capital Stock of a Subsidiary pursuant to an agreement or other obligation with or to a person (other than the Issuer or its Subsidiary) from whom such Subsidiary was acquired or from whom such Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (h) the sale, lease or other transfer of products, services, accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, surplus, worn-out or obsolete assets;
- (i) any other disposal of assets comprising in aggregate percentage value 10 per cent. or less of Total Assets, provided that at the time of such disposal, and pro forma for such disposal, the Issuer would have been able to incur \$1.00 of additional Financial Indebtedness (or its equivalent in any other currency or currencies) pursuant to paragraph (a) of Condition 11.3;
- (j) disposals of assets, rights or revenue not constituting part of the Permitted Business and other disposals of non-core assets acquired in connection with any acquisition permitted under these Terms and Conditions;
- (k) licenses and sublicenses of the Issuer or any of its Subsidiaries in the ordinary course of business;
- (l) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

- (m) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (n) the granting of Liens not prohibited by Condition 11.4 hereof;
- (o) a transfer or disposition of assets that is governed by the provisions of these Terms and Conditions described under Condition 11.6 hereof;
- (p) the sale or other disposition of cash or Cash Equivalents; and
- (q) the foreclosure, condemnation or any similar action with respect to any property or other assets.

"**Business Day**" means a day in Luxembourg or Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) and any other day on which banking institutions are closed in Luxembourg or Sweden shall for the purpose of this definition be deemed to be public holidays.

"**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.

"**Capital Lease Obligation**" means the obligation to pay rent or other payment amounts under a lease of real or personal property of a person which is required to be classified and accounted for as a capital lease on the face of a statement of financial position of such person in accordance with IFRS. The stated maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Financial Indebtedness represented by such obligation shall be the capitalised amount thereof that would appear on the face of a statement of financial position of such person in accordance with IFRS.

"**Capital Stock**" of any person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such person.

"**Cash Equivalents**" means, with respect to any person:

- (a) (i) direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States of America is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein and (ii) any direct obligations of, or obligations guaranteed by, a member of the European Union for the payment of which the full faith and credit of such member of the European Union is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein;
- (b) deposit accounts (excluding current and demand deposit accounts), certificates of deposit and Eurodollar time deposits and money market deposits, bankers' acceptances and overnight bank deposits, in each case issued by or with (i) a bank or trust company which is organised under the laws of the United States of

America, any state thereof, Switzerland, Canada, Australia or any member state of the European Union, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$ 100,000,000 (or its equivalent in any other currency or currencies) and has outstanding debt which is rated "A -" (or such similar equivalent rating) or higher by at least one nationally recognised statistical rating organization (as defined in Rule 436 under the United States Securities Act of 1933, as amended from time to time), or (ii) any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;

- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (a) and (b) entered into with any financial institution meeting the qualifications specified in paragraph (b)(ii) above;
- (d) commercial paper having one of the two highest ratings obtainable from Fitch Ratings Ltd or Moody's Investor Services Limited and in each case maturing within 365 days after the date of acquisition;
- (e) money market funds mutual funds at least 95 per cent. of the assets of which constitute Cash Equivalents of the types described in paragraphs (a) through (d) of this definition; and
- (f) with respect to any person organised under the laws of, or having its principal business operations in, a jurisdiction outside the United States or the European Union, those investments that are of the same type as investments in paragraphs (a), (c) and (d) of this definition except that the obligor thereon is organised under the laws of the country (or any political subdivision thereof) in which such person is organised or conducting business.

"Change of Control" means:

- (a) any person or group of persons acting in concert (other than Investment AB Kinnevik or its related parties) gaining direct or indirect control of the Issuer;
- (b) the direct or indirect sale, leasing, transfer, conveyance or other disposition (other than by way of a merger) of all or substantially all of the properties or assets of the Group Companies, whether in a single transaction or a series of related transactions; or
- (c) the adoption of a plan relating to the liquidation, winding-up or dissolution of the Issuer.

For the purposes of this definition:

- (i) **"acting in concert"** means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer;
- (ii) **"control"** of the Issuer means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than fifty (50) per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer;

- (iii) "**merger**" means an amalgamation, merger, consolidation of the Issuer with another person or the direct or indirect conveyance, transfer, sale, leasing or otherwise disposal by the Issuer of all or substantially all of its assets to any other person in either case other than pursuant to an amalgamation, merger, consolidation, corporate reconstruction, or reorganisation involving the Issuer where the entity formed by or surviving such amalgamation, merger, consolidation, corporate reconstruction, or reorganisation is the Issuer; and
- (iv) "**related parties**" means: (A) any controlling stockholder, partner or member of Investment AB Kinnevik, (B) any Subsidiary of Investment AB Kinnevik and any trust, corporation, partnership or other entity in respect of which Investment AB Kinnevik and/or the persons described in (A) and (B) above are the beneficiaries, stockholders, partners, owners or persons beneficially owning a majority or a controlling interest.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control and a Rating Decline.

"**Consolidated EBITDA**" means, for any period, operating profit, as such amount is determined in the Issuer's consolidated income statement in accordance with IFRS, plus the sum of the following amounts, in each case, without double counting. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

- (a) depreciation and amortization expenses, as indicated in the Issuer's consolidated statement of cash flows;
- (b) the net loss or gain on the disposal and impairment of assets, as indicated in the Issuer's consolidated statement of cash flows;
- (c) share-based compensation expenses, as indicated in the Issuer's consolidated statement of cash flows;
- (d) at the Issuer's option, other non-cash charges reducing operating profit (provided that if any such non-cash charge represents an accrual or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) less other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);
- (e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or

postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

- (f) at the Issuer's option, the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or writedown of amounts thereof, net of taxes;
- (g) any reasonable expenses, charges or other costs related to any sale of Capital Stock (other than Redeemable Stock) of the Issuer or a Holding Company of the Issuer, Investment, acquisition, disposition, recapitalization or the incurrence of any Financial Indebtedness, in each case, as determined in good faith by a responsible financial or accounting officer of the Issuer;
- (h) any gains or losses on associates;
- (i) any unrealised gains or losses due to changes in the fair value of equity Investments;
- (j) any unrealised gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (k) any unrealised gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (l) any unrealised gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (m) any net foreign exchange gains or losses;
- (n) at the Issuer's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition in accordance with IFRS;
- (p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Issuer or a Subsidiary has made a determination that there exists reasonable evidence that such amount will be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);

- (q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets; and
- (r) any net gain (or loss) realised upon any sale/leaseback transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Issuer.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

- (i) if, since the beginning of such period the Issuer or any Subsidiary has made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "**Sale**"), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;
- (ii) if, since the beginning of such period the Issuer or any Subsidiary (by merger or otherwise) will have made an Investment in any person that thereby becomes a Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "**Purchase**"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period;
- (iii) if, since the beginning of such period any person (that became a Subsidiary or was merged with or into the Issuer or any Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to paragraphs (i) or (ii) above if made by the Issuer or a Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period;
- (iv) whenever pro forma effect is applied, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated synergies and cost savings) as though the full effect of such synergies and cost savings were realised on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by the Issuer or its Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period.

For the purpose of calculating the Consolidated EBITDA of the Issuer, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

"Consolidated Net Debt" means, with respect to the Issuer as of any date of determination, the sum without duplication of:

- (a) the total amount of Financial Indebtedness of the Issuer and its Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, *minus*
- (b) the sum without duplication of (i) all Financial Indebtedness outstanding under Minority Shareholder Loans, (ii) any Financial Indebtedness which is a contingent obligation of the Issuer or its Subsidiaries on such date, (iii) all Financial Indebtedness permitted by paragraph (c) of the definition of Permitted Financial Indebtedness and (iv) all Financial Indebtedness permitted by paragraph (m) of the definition of Permitted Financial Indebtedness, minus
- (c) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the incurrence of Financial Indebtedness by the Issuer or any of its Subsidiaries to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by these Terms and Conditions) of the Issuer and its Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, excluding, for the avoidance of doubt, Restricted Cash:

"Credit Facility" means, a debt facility, arrangement, instrument, trust deed, note purchase agreement, indenture, purchase money financing, commercial paper facility or overdraft facility with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Financial Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended, in whole or in part from time to time, and in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including, but not limited to, any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (i) changing the maturity of any Financial Indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Financial Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"Cross Acceleration" means any Financial Indebtedness of the Issuer or any of its Subsidiaries is cancelled, or declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

"**Cross Payment Default**" means any event of default (howsoever described) arising from a failure by the Issuer or any of its Subsidiaries to pay any Financial Indebtedness when due or within any originally applicable grace period.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Trustee and the Notes from time to time.

"**Default**" means an Event of Default or any event or circumstance specified in Condition 12.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Event of Default**" means an event or circumstance specified in Condition 12.1.

"**Excess Proceeds**" has the meaning set forth in Condition 11.5.3.

"**Excess Proceeds Offer**" has the meaning set forth in Condition 9.5.1.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer.

"**Final Maturity Date**" means 17 April 2019.

"**Finance Documents**" means the Trust Deed (including these Terms and Conditions) and any other document designated by the Issuer and the Trustee (on behalf of the Noteholders) as a Finance Document.

"**Financial Indebtedness**" means (without duplication), with respect to any person, whether recourse is to all or a portion of the assets of such person and whether or not contingent:

- (a) the principal of and premium, if any, in respect of every obligation of such person for money borrowed;
- (b) the principal of and premium, if any, in respect of every obligation of such person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- (c) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such person of a demand for reimbursement);

- (d) every obligation of such person issued or assumed as the deferred purchase price of property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business and excluding purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the applicable seller or, in connection with the purchase by any Group Company of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing statement of financial position or such payment depends on the performance of such business after the closing);
- (e) every Capital Lease Obligation of such person;
- (f) all Redeemable Stock issued by such person;
- (g) the net obligation of such person under Interest Rate, Currency or Commodity Price Agreements of such person; and
- (h) every obligation of the type referred to in paragraphs (a) through (g) of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

The "**amount**" or "**principal amount**" of Financial Indebtedness at any time of determination as used herein represented by (A) any Financial Indebtedness issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, and (B) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof. Notwithstanding anything else to the contrary, for all purposes under these Terms and Conditions, the amount of Financial Indebtedness incurred, repaid, redeemed, repurchased or otherwise acquired by a Group Company shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Issuer's consolidated statement of financial position.

The term "Financial Indebtedness" shall not include:

- (i) obligations described in paragraphs (a), (b) or (h) of the first paragraph of this definition of Financial Indebtedness that are incurred by a Group Company (the "**Proceeds Recipient**") and owed to a bank or other lending institution (the "**On-Lend Bank**") to facilitate the substantially concurrent on-lending of proceeds (the "**Proceeds On-Loan**") from Financial Indebtedness incurred by the Issuer or any Group Company (other than the Proceeds Recipient) as permitted by Condition 11.3 to the extent (A) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favour of the On-Lend Bank or any of its affiliates in an amount not less than the principal amount of the Proceeds On-Loan, (B) the Proceeds On-Loan is put in place substantially concurrently with a loan by any Group Company (other than the Proceeds Recipient) to the On-Lend Bank (the "**On-Lend Bank Borrowing**") pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing, or (C) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a

synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to any Group Company (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favour of the On-Lend Bank or any of its affiliates, or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;

- (ii) any liability of the Issuer or any other Group Company (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (i)(C) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Issuer's consolidated statement of financial position;
- (iii) any liability of the Issuer or any Group Company to another Group Company;
- (iv) any Restricted MFS Cash;
- (v) any liability of the Issuer attributable to the put options granted by the Issuer in respect of the put option holders' interests in Telefonica Celular S.A. de C.V. and Comunicaciones Celulares, S.A. and any liability of the Issuer attributable to a put option or similar instrument, arrangement or agreement entered into after the First Issue Date granted by the Issuer relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Issuer's consolidated statement of financial position; and
- (vi) any standby letter of credit, performance bond or surety bond provided by a Group Company that is customary in the Permitted Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honoured in accordance with their terms.

"**Financial Instruments Accounts Act**" means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Issuer ending on or about 31 December in each year.

"**First Call Date**" means 17 April 2018.

"**First Issue Date**" means 21 April 2016.

"**Fitch**" has the meaning set forth in the definition "Rating Agency".

"**Force Majeure Event**" has the meaning set forth in Condition 24.1.

"**Gradation**" means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) "+" and "-" in the case of Fitch's current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody's current Rating Categories (e.g., a decline from Ba1 to

Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody's or Rating Categories used by Rating Agencies other than Fitch and Moody's.

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

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements, as in effect on the First Issue Date.

"Initial Notes" means the Notes issued on the First Issue Date.

"Insolvent" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (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 all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (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 Conditions 8.1 to 8.3.

"Interest Payment Date" means 17 January, 17 April, 17 July and 17 October of each year or, to the extent any 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 Initial Notes shall be 17 July 2016 and the last Interest Payment Date shall be the Final Maturity Date or any relevant Redemption Date prior thereto.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" means STIBOR plus 3.30 per cent. *per annum*.

"Interest Rate, Currency or Commodity Price Agreement" of any person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

"Investment" by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or

payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Financial Indebtedness issued by, any other person, including any payment on a guarantee of any obligation of such other person, together with all items that are or would be classified as Investments on a statement of financial position (excluding the footnotes thereto) prepared in accordance with IFRS, but shall not include:

- (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such person; or
- (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business.

Except as otherwise provided in these Terms and Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to a subsequent change in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"Investment Grade" means (i) BBB- or above in the case of Fitch (or its equivalent under any successor Rating Categories of Fitch), (ii) Baa3 or above, in the case of Moody's (or its equivalent under any successor Rating Categories of Moody's), and (iii) the equivalent in respect of the Rating Categories of any Rating Agencies.

"Issuer" means Millicom International Cellular, S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg with Reg. No. RCS B 40630.

"Issuing Agent" means Nordea Bank AB (Publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

"Joint Venture Consolidated EBITDA" means an amount equal to the product of (i) the Consolidated EBITDA of any joint venture (determined in good faith by a responsible financial or accounting officer of the Issuer on the same basis as provided for in the definition of "Consolidated EBITDA" (with the exception of clause (i) and the last sentence thereof) as if each reference to the "Issuer" in such definition was to such joint venture) whose financial results are not consolidated with those of the Issuer in accordance with IFRS and (ii) a percentage equal to the direct equity ownership percentage of the Issuer and/or its Subsidiaries in the Capital Stock of such joint venture and its Subsidiaries.

"Lien" means, with respect to any property or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

"Listing Failure Event" means (i) that the Note Loan is not admitted to trading on a Regulated Market within sixty (60) days following the First Issuing Date, or (ii) in the case of a successful admission, that a period of sixty (60) days has elapsed since the Note Loan ceased to be listed on a Regulated Market.

"Material Company" means:

- (a) the Issuer;
- (b) a Significant Subsidiary; or
- (c) any other Subsidiaries which are not Significant Subsidiaries but where taken together, account for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group, or whose assets, taken together, represent more than 10 per cent. of the assets of the Group.

"**Minority Shareholder Loan**" means Financial Indebtedness of a Subsidiary of the Issuer that is issued to and held by an equity owner of such Subsidiary, other than the Issuer or a subsidiary of the Issuer.

"**Moody's**" has the meaning set forth in the definition "Rating Agency".

"**Net Available Proceeds**" from any Asset Disposition means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any assets described in clauses (iv) and (v) of Condition 11.5.1(c) and other consideration received in the form of assumption by the acquirer of Financial Indebtedness or other obligations relating to such properties or assets) therefrom by the Issuer or any of its Subsidiaries, net of:

- (a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, including, without limitation, legal, consultant, accounting and investment banking fees, sales commissions, discounts and brokerage costs, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition;
- (b) all payments made by the Issuer or any of its Subsidiaries, on any Financial Indebtedness which is secured by such assets in accordance with the terms of any Lien upon or with respect to such assets or which must by the terms of such Financial Indebtedness or Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (c) all distributions and other payments made to other equity holders in the Issuer's Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (d) appropriate amounts to be provided by the Issuer or any of its Subsidiaries, as the case may be, as a reserve in accordance with IFRS, against any liabilities associated with such assets and retained by the Issuer or any of its Subsidiaries, as the case may be, after such Asset Disposition, including, without limitation, liabilities under any indemnification obligations, relocation costs and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the Issuer's board of directors, in its reasonable good faith judgment.

"**Net Leverage Ratio**" means, with respect to the Issuer, the ratio of (a) the Consolidated Net Debt (excluding Financial Indebtedness consisting of Permitted Interest Rate, Currency or Commodity Price Agreements) to (b) the Consolidated EBITDA of the Issuer for the four most recent Financial Quarters ending immediately prior to such date for which consolidated financial statements are available, determined on a pro forma basis as

if any such Financial Indebtedness had been incurred, or such other Financial Indebtedness had been repaid, redeemed or repurchased, as applicable, at the beginning of such four Financial Quarter period. For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Financial Indebtedness in respect of which the pro forma calculation is to be made.

"**Net Proceeds**" means the gross proceeds from the offering of the relevant Notes, minus (i) in respect of the Initial Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on NASDAQ Stockholm (or any other Regulated Market, as applicable) thereof, and (ii) in respect of any Additional Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on NASDAQ Stockholm (or any other Regulated Market, as applicable) thereof.

"**Nominal Amount**" has the meaning set forth in Condition 2.3.

"**Noteholder**" means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

"**Noteholders' Meeting**" means a meeting among the Noteholders held in accordance with Condition 15 (*Noteholders' Meeting*).

"**Note Loan**" means the loan constituted by these Terms and Conditions and evidenced by the Notes.

"**Notes**" means the SEK Senior Unsecured Floating Rate Notes due 2019, ISIN: SE0008242986 (including the Initial Notes and any Additional Notes), being debt instruments (*skuldförbindelser*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are issued on the terms set out in these Terms and Conditions and constituted by, are subject to and have the benefit of, the Trust Deed,.

"**Offer Amount**" has the meaning set forth in Condition 9.5.3.

"**Offer Period**" has the meaning set forth in Condition 9.5.3.

"**Pari Passu Financial Indebtedness**" means any Financial Indebtedness of the Issuer that ranks *pari passu* in right of payment with the Notes.

"**Permitted Asset Swap**" means the concurrent purchase and sale or exchange of related business assets or a combination of related business assets, cash and Cash Equivalents between the Issuer or any of its Subsidiaries and another person.

"**Permitted Business**" means:

- (a) any business, services or activities engaged in by the Issuer or any Group Company on the First Issue Date; and
- (b) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments thereof, including, without limitation, broadband internet, network-related services, cable television, broadcast content, network neutral services, electronic transactional, financial and commercial services related to provision of telephony or internet services.

"Permitted Discontinuance of Property Maintenance" means the discontinuance of the operation or maintenance of the properties of any Group Company which is, in the Issuer's judgment, desirable in the conduct of its business or the business of such other Group Company (as applicable), and which will not materially adversely affect the Noteholders.

"Permitted Financial Indebtedness" means:

- (a) the incurrence by the Issuer of Financial Indebtedness pursuant to the Notes (other than Additional Notes);
- (b) any Financial Indebtedness of the Issuer or any of its Subsidiaries outstanding on the First Issue Date after giving effect to the use of proceeds of the Notes;
- (c) Pari Passu Financial Indebtedness and Financial Indebtedness of its Subsidiaries under Credit Facilities in an aggregate principal amount at any one time outstanding that does not exceed an amount equal to the greater of (x) \$500 million (or its equivalent in any other currency or currencies) and (y) 8 per cent. of Total Assets and any Financial Indebtedness incurred in the refinancing of any Financial Indebtedness which on the date it was incurred was permitted to be incurred pursuant to this paragraph (c), plus, (A) any accrual or accretion of interest that increases the principal amount of Financial Indebtedness under Credit Facilities and (B) in the case of any refinancing of Financial Indebtedness permitted under this clause (c) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;
- (d) Financial Indebtedness owed by the Issuer to any of its Subsidiaries or Financial Indebtedness owed by any Subsidiary of the Issuer to the Issuer or any other Subsidiary of the Issuer; provided, however, that (A) if the Issuer is the obligor on such Financial Indebtedness and the payee is not the Issuer, such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the Issuer's obligations under the Notes, and (B) either (x) the transfer or other disposition by the Issuer or such Subsidiary of any Financial Indebtedness so permitted to a person (other than to the Issuer or any of its Subsidiaries) or (y) such Subsidiary ceasing to be a Subsidiary of the Issuer, will at the time of such transfer or other disposition, in each case, be deemed to be an incurrence of such Financial Indebtedness not permitted by this paragraph (d);
- (e) the guarantee by the Issuer or any of its Subsidiaries of Financial Indebtedness of any of the Issuer's Subsidiaries to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of this definition;
- (f) Acquired Debt;
- (g) Minority Shareholder Loans;
- (h) the incurrence by the Issuer or any of its Subsidiaries of Financial Indebtedness in exchange for, or the net proceeds of which are used to refund, replace or refinance, Financial Indebtedness incurred by it pursuant to clause (i) of Condition 11.3 and paragraphs (a), (b), (f) and (h) of this definition, as applicable, provided that:

- (i) such Permitted Financial Indebtedness is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (A) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value plus all accrued interest) then outstanding of the Financial Indebtedness being refinanced; and (B) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;
 - (ii) such Permitted Financial Indebtedness has a final maturity date that is either (A) no earlier than the final maturity date of the Financial Indebtedness being refinanced or (B) after the Final Maturity Date of the Notes; and
 - (iii) if the Financial Indebtedness being refinanced is subordinated in right of payment to the Notes, such Permitted Financial Indebtedness is subordinated in right of payment to, the Notes on terms at least as favourable to the Noteholders as those contained in the documentation governing the Financial Indebtedness being refinanced; and
 - (iv) if the Issuer was the obligor on the Financial Indebtedness being refinanced, such Permitted Financial Indebtedness is incurred by the Issuer;
- (i) Financial Indebtedness of the Issuer or any of its Subsidiaries represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits, payment obligations in connection with self-insurance or similar requirements of the Issuer or any of its Subsidiaries in the ordinary course of business;
 - (j) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of the Issuer or any of its Subsidiaries, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than guarantees of Financial Indebtedness incurred by any person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of each such incurrence of such Financial Indebtedness will at no time exceed the gross proceeds actually received by the Issuer or any of its Subsidiaries in connection with the related disposition;
 - (k) obligations in respect of (i) customs, VAT or other tax guarantees, (ii) bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of the Issuer or any of its Subsidiaries with respect to letters of credit supporting such obligations, and (iii) the financing of insurance premiums, in each case in the ordinary course of business and not related to Financial Indebtedness for borrowed money;
 - (l) Financial Indebtedness of the Issuer or any of its Subsidiaries arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds;

provided that such Financial Indebtedness is extinguished within 30 days of incurrence; and

- (m) the incurrence by the Issuer or any of its Subsidiaries of Financial Indebtedness not otherwise permitted to be incurred pursuant to paragraphs (a) through (l) above, which, together with any other outstanding Financial Indebtedness incurred pursuant to this paragraph (m), has an aggregate principal amount at any time outstanding not in excess of the greater of \$250 million (or its equivalent in any other currency or currencies) and 4 per cent. of Total Assets, and any Financial Indebtedness incurred in the refinancing of any Financial Indebtedness which on the date it was incurred was permitted to be incurred pursuant to this paragraph (m), plus, in the case of any refinancing of Financial Indebtedness permitted under this paragraph (m) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

In the event that an item of Financial Indebtedness meets the criteria of more than one of the types of Permitted Financial Indebtedness or is entitled to be incurred pursuant to paragraph (a) of this definition, the Issuer in its sole discretion may classify and from time to time reclassify such item of Financial Indebtedness or any portion thereof and only be required to include the amount of such Financial Indebtedness as one of such types.

"Permitted Interest Rate, Currency or Commodity Price Agreement" means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect against fluctuations in interest rates or currency exchange rates and which shall have a notional amount no greater than the payments due with respect to the Financial Indebtedness being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to the then existing financial obligations and not for purposes of speculation.

"Permitted Lien" means:

- (a) Liens for taxes, assessments or governmental charges, or levies on the property of any Group Company if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded, provided that any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;
- (b) Liens imposed by law, such as statutory Liens of landlords', carriers', materialmen's, repairmen's, construction, warehousemen's and mechanics' Liens and other similar Liens, on the property of any Group Company arising in the ordinary course of trading or Liens arising solely by virtue of any statutory or common law provisions relating to attorneys' liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;
- (c) Liens on the property of any Group Company incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like

nature and incurred in a manner consistent with industry practice, in each case which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Group taken as a whole;

- (d) Liens on property at the time a Group Company acquired such property incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by a Group Company, **provided** that any such Lien may not extend to any other property of a Group Company;
- (e) Liens on the property of a person at the time such person becomes a Group Company; provided, however, that any such Lien may not extend to any other property of the Issuer or any Subsidiary that is not a direct Subsidiary of such person; provided further, however, that any such Lien was not incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such person became a Group Company;
- (f) pledges or deposits by any Group Company under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Financial Indebtedness) or leases to which any Group Company is party, or deposits to secure public or statutory obligations of a Group Company or deposits for the payment of rent, in each case incurred in the ordinary course of business;
- (g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by a Group Company in a transaction entered into in the ordinary course of business of the relevant Group Company and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default, so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;
- (j) any Lien securing Financial Indebtedness incurred under any Permitted Interest Rate, Currency or Commodity Price Agreement;
- (k) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which a Group Company has easement rights or on any real property leased by any Group Company or similar agreements relating thereto, and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

- (l) Liens existing on the First Issue Date and disclosed in writing to the Trustee prior to the First Issue Date;
- (m) Liens in favour of the Issuer;
- (n) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of the Group;
- (o) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any Group Company in the ordinary course of business;
- (p) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Financial Indebtedness in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;
- (q) Liens on property of any Subsidiary of the Issuer to secure Financial Indebtedness incurred by such Subsidiary pursuant to Condition 11.3 or paragraphs (i), (j), (k), (l) or (m) of the definition of Permitted Financial Indebtedness;
- (r) Liens for the purpose of securing the payment of all or a part of the purchase price of Capital Lease Obligations or payments incurred by the Issuer or its Subsidiaries to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that such Liens do not encumber any other assets or property of the Issuer or its Subsidiaries other than such assets or property and assets affixed or appurtenant thereto;
- (s) Liens on the property of a Group Company to replace in whole or in part, any Lien described in the foregoing paragraphs (a) through (p); provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Financial Indebtedness being refinanced or in respect of property that is the security for a Permitted Lien hereunder;
- (t) Any interest or title of a lessor under any Capital Lease Obligation or operating lease;
- (u) Liens on any escrow account used in connection with pre-funding a refinancing of Financial Indebtedness otherwise permitted under these Terms and Conditions;
- (v) Liens on any Group Company's deposits in favour of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Group's existing cash pooling arrangements;
- (w) Liens incurred in the ordinary course of business of any Group Company with respect to obligations that do not exceed the greater of US\$ 250,000,000 (or its equivalent in any other currency or currencies) or 4 per cent. of Total Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Issuer, or materially impair the use thereof in the operation of business by the Group;

- (x) Liens over cash or other assets that secure collateralised obligations incurred as Permitted Financial Indebtedness; provided that the amount of cash collateral does not exceed the principal amount of the Proceeds On-Loan;
- (y) Liens over cash or other assets that secure letters of credit, bankers' acceptances or similar facilities; and
- (z) Liens on Restricted MFS Cash in favour of the customers or dealers of, or third parties in relation to, one or more Group Company engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant Group Company.

"**Proceeds On-Loan**" has the meaning set forth in the definition "Financial Indebtedness".

"**Purchase Date**" has the meaning set forth in Condition 9.5.3

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**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.

"**Rating Agency**" means (i) each of Standard & Poor's Rating Services ("**S&P**"), Fitch Ratings Ltd ("**Fitch**"), Moody's Investor Services Limited ("**Moody's**") or (ii) if any of S&P, Fitch or Moody's are not making ratings of the Notes publicly available, an internationally recognised credit rating agency or agencies, as the case may be, selected by the Issuer which will be substituted for any of S&P, Fitch or Moody's.

"**Rating Category**" means (i) with respect to Fitch, any of the following categories (any of which may include a "+" or "-"): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories (any of which may include a "1", "2" or "3"): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody's used by another Rating Agency, if applicable.

"**Rating Date**" means the date which is the earlier of (i) 120 days prior to the occurrence of an event specified in clauses (a), (b) or (c) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

"**Rating Decline**" means the occurrence of, at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or of the Issuer's intention or the intention of any person to effect a Change of Control and (ii) the occurrence of the Change in Control (which period shall in either event be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdrawal of its rating of the Notes or a decrease in the rating of the Notes by a Rating Agency as follows:

- (a) if the Notes are not rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Notes are rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Notes are no longer rated Investment Grade.

provided that, when announcing the relevant decision(s) to withdraw or decrease the rating, each such Rating Agency announces publicly or confirms in writing that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of the Change of Control or the Issuer's announcement of the intention to effect a Change of Control.

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Condition 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

"Redeemable Stock" of any person means any Capital Stock of such person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Financial Indebtedness or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the Final Maturity Date.

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

"Reference Banks" means Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and DNB Bank ASA (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

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

"Restricted Cash" means the sum of (a) Restricted MFS Cash, and (b) without duplication, the amount of cash that would be stated as "restricted cash" on the consolidated statement of financial position of the Issuer as of such date in accordance with IFRS.

"Restricted MFS Cash" means, as of any date of determination, an amount equal to any cash paid in or deposited by or held on behalf of any customer or dealer of, or any other third party in relation to, one or more Group Company engaged in the provision of mobile financial services and designated as "restricted cash" on the consolidated statement of financial position of the Issuer, together with any interest thereon.

"Securities Account" means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts 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.

"Significant Subsidiary" means a Subsidiary of the Issuer:

- (a) which accounts for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group; or
- (b) whose assets represent more than 10 per cent. of the assets of the Group.

"Specified Subsidiary Sale" means the sale, transfer or other disposition of all of the Capital Stock, or all of the assets or properties of, (a) any entity, the primary purpose of

which is to own Tower Equipment located in any market in which any Group Company operates; (b) any person which operates any Group Company's mobile financial services business; (c) Latin America Internet Holding GmbH; or (d) Africa Internet Holding GmbH.

"STIBOR" means:

- (a) the applicable percentage rate per annum displayed on NASDAQ Stockholm's website for STIBOR 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 Swedish Kronor and for a period comparable to the relevant Interest Period (other than the first Interest Period to which, notwithstanding its duration, the applicable percentage rate per annum for the offering of deposits in Swedish Kronor for a period of three months as quoted as of or around 11.00 a.m. on the relevant Quotation Day will apply); 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 the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (a), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

"Subsidiary" means in respect of any person:

- (a) any corporation in which it or one or more of its Subsidiaries directly or indirectly owns more than 50 per cent. of the combined voting power of the outstanding voting stock; or
- (b) any other entity in which it or one or more of its Subsidiaries:
 - (i) directly or indirectly has majority ownership, but only to the extent such majority ownership results in an entitlement to the majority of the profits generated by that entity; or
 - (ii) has the power to direct the policies, management and affairs thereof.

"Swedish Kronor" and **"SEK"** means the lawful currency of Sweden.

"Total Assets" means the consolidated total assets of the Issuer and its Subsidiaries as shown on the Issuer's most recent consolidated statement of financial position prepared on the basis of IFRS prior to the relevant date of determination calculated to give pro forma effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period, including any such acquisitions to be made with the proceeds of Financial Indebtedness giving rise to the need to calculate Total Assets.

"Total Nominal Amount" means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

"Tower Equipment" means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by any Group Company.

"Trust Deed" means the trust deed entered into on or prior to the First Issue Date, between the Issuer and the Trustee, or any replacement or supplemental trust deed entered into between the Issuer and the Trustee thereafter.

"Trustee" means Intertrust CN (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Trustee, in accordance with these Terms and Conditions and the Trust Deed.

"USD", "\$" and "dollars" means the lawful currency of the United States of America.

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"Written Procedure" means the written or electronic procedure for decision making among the Noteholders in accordance with Condition 16 (*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) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in SEK 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 SEK for the previous Business Day, as published by the Swedish

Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly
- 1.2.5 No delay or omission of the Trustee 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 SEK and each Note is constituted by the Trust Deed and 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 The nominal amount of each Initial Note is SEK 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 Provided that no Event of Default is continuing or would result from such issue and subject to the terms of the Trust Deed and the satisfaction of the conditions set out in Condition 4.1, the Issuer may, from time to time, without the consent of the Noteholders, issue Additional Notes having the same interest rate and ranking *pari passu* in all respects and so that the same shall be consolidated and form a single series with the Initial Notes and any other Additional Notes. The issue price of the Additional Notes may be set at a discount or at a premium compared to the Initial Notes. The aggregate nominal amount of Notes is not limited. Each Additional Note shall entitle its holder to Interest in accordance with Condition 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are mandatorily preferred by law.
- 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 other than Sweden, 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

- 3.1 The Issuer shall use the Net Proceeds from the issue of the Initial Notes, for the general corporate purposes of the Group.
- 3.2 The Issuer shall use the Net Proceeds from the issue of any Additional Notes, for the general corporate purposes of the Group.

4. CONDITIONS PRECEDENT

- 4.1 Prior to the issuance of any Additional Notes, the Issuer shall provide to the Issuing Agent the following documents and evidence, in form and substance satisfactory to the Issuing Agent (acting reasonably):
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Additional Notes and resolving to enter into any documents necessary in connection therewith;
 - (b) a certificate addressed to the Trustee, duly signed by the Issuer, evidencing for the relevant issue of Additional Notes that (i) no Event of Default is continuing or would result from such issue and (ii) in relation to such issue, the requirements of Condition 11.3 have been complied with; and
 - (c) such other documents and information as is agreed between the Issuing Agent and the Issuer.
- 4.2 The Issuing Agent may assume that the documentation delivered to it pursuant to Condition 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Issuing Agent does not have to verify the contents of any such documentation.

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 Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Lien, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Trustee shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The

- Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer and the Trustee may use the information referred to in Condition 5.3 and 5.4 only for the purpose of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholders or third party unless necessary for such purpose.

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 6.1 If any person other than a Noteholder wishes to exercise any rights of a Noteholder under the Finance Documents on behalf of such Noteholder, 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 Trustee 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 Condition 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 or the Trustee has actual knowledge to the contrary.

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 pursuant to these Terms and Conditions, 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 CSD 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, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD or the Issuer (or its agent) on the relevant payment date. In other cases, payments will be transferred by the CSD or the Issuer (or its agent) to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall promptly provide notice of such non-payment to the Trustee in accordance with Condition 23 (*Notices and Press Releases*) and 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 CSD, 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 Condition 8.4 during such postponement.

7.4 If payment or repayment is made in accordance with this Condition 7, the Issuer and the CSD 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. The Trustee shall have no obligation to ensure any payments or repayments made in accordance with this Condition 7.4 are actually received by the person entitled to such payment or repayment.

7.5 Neither the Issuer nor the Trustee shall be liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

8.1 Each Initial Note shall bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Additional Note will bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) 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 in accordance with Condition 7.

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 (but excluding) the due date up to (and including) the date of actual payment at a rate which is one (1) per cent. higher than the Interest Rate for such Interest Period. 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 CSD.

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 redemption shall occur on the first Business Day following the Final Maturity Date.

9.2 Purchase of Notes by Group Companies

Any Group Company may, subject to applicable law, at any time and at any price purchase Notes in the open market or in any other way. Notes held by a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer.

9.3 Voluntary total redemption (call option)

9.3.1 At any time on or after the First Call Date, the Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to 101.45 per cent. of the Nominal Amount together with accrued but unpaid Interest;

9.3.2 Redemption in accordance with Condition 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Trustee. The notice from the Issuer shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes specified in the notice at the applicable amount on the specified Redemption Date.

9.4 **Early redemption due to illegality (call option)**

9.4.1 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.

9.4.2 The Issuer shall give written notice of redemption pursuant to Condition 9.4.1 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). The notice from the Issuer is irrevocable, shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

9.5 **Repurchase with Excess Proceeds (put option)**

9.5.1 If, in accordance with Condition 11.5, the aggregate amount of Excess Proceeds from the disposition of assets by the Issuer exceeds \$75 million (or its equivalent in any other currency or currencies), the Issuer shall make an offer to repurchase from the Noteholders and from the holders of any Pari Passu Financial Indebtedness, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with this Condition 9.5 or the agreements governing any such Pari Passu Financial Indebtedness, in cash the maximum principal amount of the Notes (at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest if any to the date of purchase) and any such Pari Passu Financial Indebtedness (at a price no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such Pari Passu Financial Indebtedness together with accrued and unpaid interest if any to the date of purchase) that may be purchased with the amount of the Excess Proceeds (an "**Excess Proceeds Offer**").

9.5.2 The Issuer shall give written notice of its offer to redeem pursuant to Condition 9.5.1 no later than twenty (20) Business Days after the end of the 365 calendar day period referred to in Condition 11.5.1(c). The notice from the Issuer is irrevocable, shall specify the amount of Notes that may be repurchased, the Purchase Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Purchase Date.

9.5.3 Each Excess Proceeds Offer will remain open for a period of at least 20 Business Days and not more than 60 Business Days, following its commencement except to the extent that a longer period is required by applicable law (the "**Offer Period**"). No later than three Business Days after the termination of the Offer Period (the "**Purchase Date**"), the Issuer will apply all Excess Proceeds, in the case of an Excess Proceeds Offer (the "**Offer Amount**") to the purchase of the Notes and, if applicable, such other Pari Passu Debt (on a

pro rata basis based on the principal amount of the Notes and such other Pari Passu Debt surrendered, if applicable or, if less than the Offer Amount has been tendered, all Notes tendered and, if applicable, other Financial Indebtedness tendered in response to the Excess Proceeds Offer).

9.5.4 If the Purchase Date is on or after a record date for the payment of interest and on or before the related payment date, any accrued and unpaid interest, if any, will be paid to the person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Noteholders who tender Notes pursuant to the Excess Proceeds Offer.

9.5.5 Upon the commencement of an Excess Proceeds Offer, the Issuer will send, by first class mail, a notice to the Trustee and each of the Noteholders with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Noteholders to tender Notes pursuant to the Excess Proceeds Offer. The notice, which will govern the terms of the Excess Proceeds Offer, will state:

- (a) that the Excess Proceeds Offer is being made pursuant to this Condition 9.5 the length of time the Excess Proceeds Offer will remain open;
- (b) the Offer Amount, the purchase price and the Purchase Date;
- (c) that any Note not tendered or accepted for payment will continue to accrue interest;
- (d) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Excess Proceeds Offer will cease to accrue interest after the Purchase Date;
- (e) that Notes purchased pursuant to the Excess Proceeds Offer will be purchased in a minimum amount of SEK 1,000,000;
- (f) the manner in which Noteholders electing to have a Note purchased pursuant to any Excess Proceeds Offer will be required to transfer such Note to the Issuer or its agent before the Purchase Date;
- (g) the circumstances under which Noteholders will be entitled to withdraw their election prior to the expiration of the Offer Period and the procedures required in relation to such withdrawal; and
- (h) that, if the aggregate principal amount of Notes and other Pari Passu Debt surrendered by holders thereof exceeds the Offer Amount, the Issuer (or its agent) will randomly select the Notes and other Pari Passu Debt to be purchased on a pro rata basis based on the principal amount of Notes and such other Pari Passu Debt surrendered (provided that Notes will be purchased in a minimum amount of SEK 1,000,000).

9.5.6 On or before the Purchase Date, the Issuer will, to the extent lawful, accept for repurchase, the Offer Amount of Notes tendered pursuant to the Excess Proceeds Offer (which Notes shall be randomly selected by the Issuer or its agent if more than the Offer Amount has been tendered), or if less than the Offer Amount has been tendered, all Notes tendered. The Issuer will pay each tendering holder an amount equal to the purchase price of the

- Notes tendered by such Noteholder and accepted by the Issuer for purchase. Any purchase pursuant to this Condition 9.5 shall not be subject to conditions precedent.
- 9.5.7 To the extent that the amount of Notes and any such Pari Passu Financial Indebtedness purchased pursuant to this Condition 9.5 is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and such Pari Passu Financial Indebtedness for purposes that are not otherwise prohibited by these Terms and Conditions. Upon completion of each redemption, the amount of Excess Proceeds will be reset to zero.
- 9.6 **Mandatory repurchase due to a Change of Control Triggering Event or a Listing Failure Event (put option)**
- 9.6.1 Upon the occurrence of a Change of Control Triggering Event or a Listing Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Triggering Event or Listing Failure Event, as applicable, pursuant to Condition 10.1.2 (after which time period such right shall lapse), 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. However, such period may not start earlier than upon the occurrence of the Change of Control Triggering Event or Listing Failure Event, as applicable.
- 9.6.2 The notice from the Issuer pursuant to Condition 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption 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 Redemption Date specified in the notice given by the Issuer pursuant to Condition 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Condition 9.6.1.
- 9.6.3 If Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Condition 9.6, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Condition 9.6.1, send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also 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 Redemption Date specified in the notice given by the Issuer pursuant to this Condition 9.6.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Condition 9.6.3.
- 9.6.4 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 Condition 9.6, the Issuer shall

comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 9.6 by virtue of the conflict.

9.6.5 The Issuer shall not be required to repurchase any Notes pursuant to this Condition 9.6, if a third party in connection with the occurrence of a Change of Control Triggering Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Condition 9.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Condition 9.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

9.6.6 No repurchase of Notes pursuant to this Condition 9.6 shall be required if the Issuer has given notice of a redemption pursuant to Condition 9.3 (*Voluntary total redemption (call option)*), provided that such redemption is duly exercised.

10. INFORMATION TO NOTEHOLDERS

10.1 Information from the Issuer

10.1.1 The Issuer shall provide the following information to the Trustee and make the same available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (i) 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 prepared in accordance with IFRS;
- (j) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with IFRS;
- (k) 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
- (l) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*), Regulation No 596/2014 on market abuse (*Market Abuse Regulation*), as applicable, and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

10.1.2 The Issuer shall promptly notify the Noteholders and the Trustee in writing upon becoming aware of the occurrence of a Change of Control Triggering Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control and conditioned upon the occurrence of a Change of Control Triggering Event, if a definitive agreement is in place providing for a Change of Control.

10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Condition 10.1.1, the Issuer shall send copies of such financial statements and other information to the Trustee. Together with the annual financial statements, the Issuer shall submit to the Trustee a compliance certificate in a form agreed between the Issuer and the Trustee containing a confirmation that no Default or Event of Default has occurred (or if a Default or an Event of Default has occurred, what steps have been taken to remedy it).

10.1.4 The Issuer shall promptly notify the Trustee in writing (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes a Default or an Event of Default, and shall provide the Trustee with such further information as the Trustee may reasonably request in writing following receipt of such notice. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge by way of written notice of such event or circumstance.

10.1.5 The Issuer is only obliged to inform the Trustee as set out in this Condition 10 if informing the Trustee would not conflict with any applicable laws or, when the Notes are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee as set out in this Condition 10.

10.2 **Information from the Trustee**

10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Trustee in accordance with this Condition 10.2.1 and applicable law, the Trustee 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 Trustee 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.

10.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders pursuant to Condition 14 (*Decisions 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 Trustee shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 **Publication of Finance Documents**

10.3.1 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 and the Trustee.

10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Trustee during normal business hours.

11. **GENERAL UNDERTAKINGS**

11.1 **Change of Business**

The Issuer shall ensure that no substantial change is made to the general nature of the business of the Issuer or the Group from that carried on at the First Issue Date, **provided** that this Condition shall not prevent the Issuer from engaging in any Permitted Business.

11.2 **Preservation of properties**

Subject to Permitted Discontinuance of Property Maintenance, the Issuer shall (and shall ensure that each other Group Company will) maintain in good repair, working order and condition (ordinary wear and tear excepted) all of its material properties necessary or desirable in the conduct of its business, all in accordance with the judgment of the Issuer (acting reasonably).

11.3 **Financial Indebtedness**

The Issuer may not (and the Issuer shall ensure that no other Group Company will), directly or indirectly incur any Financial Indebtedness, unless:

- (a) at the time of such incurrence or immediately following the incurrence of such Financial Indebtedness and the application of the proceeds thereof, on a pro forma basis, the Net Leverage Ratio is less than 3.0 to 1.0; or
- (b) the Financial Indebtedness is Permitted Financial Indebtedness.

11.4 **Negative pledge**

The Issuer shall not (and shall ensure that no other Group Company will), directly or indirectly,

- (a) create or permit to subsist any Lien over any of its assets; or
- (b) (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any other Group Company; (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms; (iii) 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 (iv) enter into any other preferential arrangement having a similar effect (each of paragraphs (i)-(iv) being a "**Quasi-Security**"), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,

unless the Lien or Quasi-Security is a Permitted Lien.

11.5 **Disposal of Assets**

11.5.1 The Issuer shall not (and shall ensure that no other Group Company will), make any Asset Disposition in one or more related transactions unless:

- (a) the consideration the Issuer or such Subsidiary receives for such Asset Disposition is not less than the Fair Market Value of the assets sold (as determined by the Issuer's senior management or board of directors); and
- (b) (other than where the Asset Disposition is a Permitted Asset Swap) at least 75 per cent. of the consideration the Issuer or such Subsidiary receives in respect of such Asset Disposition consists of:
 - (i) cash or Cash Equivalents;

- (ii) the assumption of the Issuer's or any of its Subsidiaries' Financial Indebtedness or other liabilities (other than contingent liabilities or Financial Indebtedness or liabilities that are subordinated to the Notes) or Financial Indebtedness or other liabilities of such Subsidiary relating to such assets and, in each case, the Issuer or the Subsidiary, as applicable, is released from all liability on the Financial Indebtedness assumed;
 - (iii) any Capital Stock or assets of the kind referred to in paragraphs (c)(iii) or (c)(iv) of Condition 11.5.1(c);
 - (iv) a combination of the consideration specified in Conditions (b) to (ii) (inclusive) of this Condition 11.5.1(a); and
- (c) within 365 calendar days of such Asset Disposition, the Net Available Proceeds are applied (at the Issuer or applicable Subsidiary's option):
- (i) to repay, redeem, retire or cancel outstanding Financial Indebtedness secured by Lien over the assets of any Group Company;
 - (ii) first, to redeem Notes or purchase Notes pursuant to an offer to all Noteholders at a purchase price equal to at least 100 per cent. of the principal amount thereof, plus accrued and unpaid interest and second, to the extent any Net Available Proceeds from such Asset Disposition remain, to any other use as determined by the Issuer or the applicable Subsidiary that is not otherwise prohibited by these Terms and Conditions;
 - (iii) to repurchase, prepay, redeem or repay any Pari Passu Financial Indebtedness; **provided** that the Issuer makes an offer to all Noteholders on a *pro rata* basis to purchase their Notes in accordance with Condition 9.5 (*Repurchase with Excess Proceeds (put option)*);
 - (iv) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary of the Issuer;
 - (v) to make a capital expenditure or acquire other assets (other than Capital Stock and cash or Cash Equivalents), rights (contractual or otherwise) and properties, whether tangible or intangible (including ownership interests) that are used or intended for use in connection with a Permitted Business;
 - (vi) to the extent permitted, to redeem Notes as provided under Condition 9.3 (*Voluntary total redemption (call option)*) hereof;
 - (vii) any combination of the foregoing paragraphs (i) to (v) (inclusive) of this Condition 11.5.1(c); or

enter into a binding commitment to apply the Net Available Proceeds pursuant to paragraphs (iii) or (iv) of this Condition 11.5.1(c) (which will be deemed to constitute a permitted application of the Net Available Proceeds from the date of such commitment until the earlier of (X) the date on which such acquisition or expenditure is consummated and (Y) the 180th day following the expiration of the initial 365-day period).

11.5.2 For purposes of Condition 11.5.1(c), any securities, notes or other obligations received by the Issuer or any such Subsidiary from such transferee that are promptly converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion), shall be deemed cash.

11.5.3 The amount of such Net Available Proceeds not applied pursuant to Condition 11.5.1(c) will constitute "**Excess Proceeds**". Pending the final application of any such Net Available Proceeds, the Issuer may temporarily use such Net Available Proceeds in any manner that is not prohibited by the terms of these Terms and Conditions.

11.6 **Merger**

The Issuer may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other person, or (ii) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of its assets to any other person, unless:

- (a) the Issuer is the surviving corporation;
- (b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing
- (c) immediately after giving effect to such transaction and treating any Financial Indebtedness which becomes the Issuer's or any of its Subsidiaries' obligation, as applicable, as a result of such transaction as having been incurred at the time of the transaction, (x) the Issuer could incur at least \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to Condition 11.3 hereof or (y) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions; provided that this paragraph (c) will not apply if, in the good faith determination of the Issuer's board of directors the principal purpose of such transaction is to change the Issuer's jurisdiction of incorporation; and
- (d) the Issuer delivers to the Trustee a certificate stating that such consolidation, merger or transfer complies with this Condition 11.6.

11.7 **Admission to trading**

11.7.1 The Issuer shall use all reasonable efforts to ensure that within sixty (60) calendar days after the First Issue Date, the Note Loan is admitted to trading on the corporate bond list of NASDAQ Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

11.7.2 Following an admission to trading on the corporate bond list of NASDAQ Stockholm (or any other Regulated Market, as applicable), the Issuer shall use all reasonable efforts to ensure that the Notes continue being listed thereon (however, taking into account the rules and regulations of NASDAQ Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

11.8 **Suspension of certain covenants**

If on any date following the First Issue Date, the Notes are assigned an external credit rating of at least BBB- (or equivalent) by two Rating Agencies and no Event of Default is continuing then the Issuer shall notify the Trustee in writing of these events and beginning on that date and until such time as the Notes cease to have an external credit rating of at least BBB- (or equivalent) by either Rating Agency, Conditions 11.3 (*Financial Indebtedness*), 11.5 (*Disposal of assets*), and paragraph (c) of Condition 11.6 (*Merger*) shall not apply. Any action taken by a Group Company during any such covenant suspension that would otherwise give rise to a breach of the aforementioned Conditions upon such covenant suspension ceasing to be in effect shall be deemed not to be a breach of these Terms and Conditions.

12. **ACCELERATION OF THE NOTES**

12.1 Subject to Condition 12.2, the Trustee at its discretion may, and shall following an instruction in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such instruction may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the instruction is received by the Trustee) and in both instances, the Noteholder or Noteholders (as applicable) have offered an indemnity and/or security and/or pre-funding satisfactory to the Trustee (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes immediately due and repayable at their Total Nominal Amount together with any other amounts payable under the Trust Deed (including, without limitation, pursuant to Condition 12.5) immediately or at such later date as the Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents if any of the following events occurs and is continuing:

- (a) the Issuer does not pay on the due date any principal of, or (if any) premium on any Note when due (at maturity, upon redemption or otherwise);
- (b) the Issuer does not pay on the due date any interest payable in respect of the Notes and such failure is not remedied within thirty (30) days from the relevant Interest Payment Date;
- (c) the Issuer does not pay on the due date any principal and interest on the Notes required to be purchased pursuant to Condition 9.5 or 9.6;
- (d) the Issuer does not comply with the provisions of Condition 11.6;
- (e) 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 paragraphs (a) through (d) above), unless the non-compliance (i) is capable of remedy; and (ii) is remedied within sixty (60) days of the earlier of notice to the Issuer by the Trustee or Noteholders of at least 25 per cent. in aggregate principal amount of Notes outstanding;
- (f) the occurrence of a Cross Payment Default or a Cross Acceleration, unless the aggregate amount of Financial Indebtedness which is the subject of the Cross Payment Default or Cross Acceleration, as applicable, is less than \$100,000,000 (or its equivalent in any other currency or currencies), without double counting;

- (g) the Issuer or any of its Subsidiaries fails to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100,000,000 (exclusive of any amounts for which a solvent insurance company has acknowledged liability), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;
- (h) (i) a Material Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)); (ii) the value of the assets of any Material Company is less than its liabilities (taking into account contingent and prospective liabilities); or (iii) a moratorium is declared in respect of any indebtedness of any Material Company;
- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise, other than a solvent reorganisation in which the relevant Material Company is the surviving entity) of any Material Company;
 - (ii) a general assignment, arrangement or composition with or for the benefit of the creditors of any Material Company;
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Company other than the Issuer), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Material Company or any of its assets; or
 - (iv) enforcement of any Lien over any assets of any Material Company,
 or any analogous procedure or step is taken in any jurisdiction. This Condition (i) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

12.2 The Trustee may not accelerate the Notes in accordance with Condition 12.1 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.

12.3 The Trustee may, or the Noteholders of at least fifty (50) per cent. of the Adjusted Nominal Amount may on demand in writing to the Trustee, waive all past or existing Events of Default (other than with respect to non-payment) and may rescind any such acceleration with respect to the Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction and if all amounts then due with respect to the Notes are paid (other than amount due solely because of such acceleration) and all other defaults with respect to the Notes are cured.

- 12.4 The Trustee shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing seek instructions from the Noteholders in accordance with Condition 14 (*Decisions by Noteholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.5 If the Noteholders instruct the Trustee to accelerate the Notes in accordance with Condition 12.1, the Trustee shall promptly declare the Notes due and payable and take such actions as the Noteholders deem to 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.
- 12.6 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.
- 12.7 In the event of an acceleration of the Notes in accordance with this Condition 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

- 13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Condition 11.8 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee in accordance with the Trust Agreement (other than any indemnity given for liability against the Noteholders), (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 Trustee, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Condition 18.2.5, and (iv) any costs and expenses incurred by the Trustee in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Condition 14.13;
 - (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.

- 13.2 Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Notes shall be held on trust by the Trustee on the terms set out in the Trust Deed. The Trustee shall arrange for payments of such funds in accordance with this Condition 13 as soon as reasonably practicable.
- 13.3 If the Issuer or the Trustee shall make any payment under this Condition 13, the Issuer or the Trustee, 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 Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Condition 7.1 shall apply.

14. DECISIONS BY NOTEHOLDERS

- 14.1 A request by the Trustee for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 14.2 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 Trustee) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee'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.
- 14.3 The Trustee 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 Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a person who is, or who has been provided with a power of attorney pursuant to Condition 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 Condition 16.2, 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 Adjusted Nominal Amount.
- 14.5 The following matters shall require the consent of Noteholders representing at least sixty six and two thirds (66-2/3) 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 Condition 16.2:

- (a) a change to the terms of any of Condition 2.1, and Conditions 2.5 to 2.7;
- (b) a reduction of any premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Condition 13 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 14;
- (f) 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;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 11.8 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

14.6 Any matter not covered by Condition 14.5 shall require the consent of Noteholders representing more than fifty (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 Condition 16.2. 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 Condition 17.1(a) or (b)), an acceleration of the Notes.

14.7 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 Condition 14.5, 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.

If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

14.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Noteholders' Meeting (in accordance with Condition 15.1) or initiate a second Written Procedure (in accordance with Condition 16.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written

- Procedure pursuant to this Condition 14.8, the date of request of the second Noteholders' Meeting pursuant to Condition 15.1 or second Written Procedure pursuant to Condition 16.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Condition 14.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 14.9 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as applicable.
- 14.10 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.
- 14.11 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.
- 14.12 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 and vice versa.
- 14.13 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 14.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee 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 Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 14.15 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 website of the Issuer, 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 Trustee, as applicable.
- 15. NOTEHOLDERS' MEETING**
- 15.1 The Trustee shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a

- date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 15.2 Should the Issuer wish to replace the Trustee, it may convene a Noteholders' Meeting in accordance with Condition 15.1 with a copy to the Trustee. After a request from the Noteholders pursuant to Condition 18.4.3, 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 Condition 15.1.
- 15.3 The notice pursuant to Condition 15.1 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.
- 15.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 15.5 Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.
- 16. WRITTEN PROCEDURE**
- 16.1 The Trustee shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid 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 person who is registered as a Noteholder on a date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 16.2 Should the Issuer wish to replace the Trustee, it may instigate a Written Procedure in accordance with Condition 16.1 with a copy to the Trustee.
- 16.3 A communication pursuant to Condition 16.1 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 ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Condition 16.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.4 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Conditions 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Trustee (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 as a group, 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 Condition 14 (*Decisions by Noteholders*).
- 17.2 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.
- 17.3 The Trustee shall promptly notify the Noteholders of any amendments or waivers made in accordance with Condition 17.1, 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 Condition 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Trustee, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE

18.1 Appointment of the Trustee

- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Trustee to act pursuant to the Trust Deed as trustee in all matters relating to the Notes and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions or the Trust Deed) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each Additional Noteholder confirms such appointment and authorisation for the Trustee to act on its behalf.
- 18.1.2 The Trustee shall not be bound to take any action in relation to the Trust Deed and these Terms and Conditions unless directed to do so in accordance with Conditions 14, 15 and/or 16, as applicable, and it has been indemnified and/or secured and/or prefunded to its satisfaction.
- 18.1.3 The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Trustee's obligations as

- Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Trustee may act as Trustee or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 18.2 **Duties of the Trustee**
- 18.2.1 The Trustee shall represent the Noteholders in accordance with the Finance Documents, The Trustee is not responsible for the execution or enforceability of the Finance Documents.
- 18.2.2 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Noteholders. The Trustee shall carry out its duties under the Finance Documents with the degree of care and diligence required of it as a trustee having regard to the provisions of the Trust Deed and the other Finance Documents.
- 18.2.3 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 18.2.4 The Trustee shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.
- 18.2.5 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee 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 or circumstance which the Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Trustee 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 Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Condition 13 (*Distribution of proceeds*).
- 18.2.6 The Trustee shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Trustee, as may be necessary in order for the Trustee to carry out its duties under the Finance Documents.
- 18.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.8 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Lien has been provided therefore) as it may reasonably require.

- 18.2.9 The Trustee 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 Trustee under the Finance Documents or (ii) if it refrains from acting for any reason described in Condition 18.2.8.
- 18.3 **Limited liability for the Trustee**
- 18.3.1 The Trustee 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 gross negligence, wilful default or fraud. The Trustee shall never be responsible for indirect or consequential loss.
- 18.3.2 The Trustee 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 Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Trustee 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 Trustee to the Noteholders, provided that the Trustee 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 Trustee for that purpose.
- 18.3.4 The Trustee shall have no liability to the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with Condition 14 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Condition 12.1.
- 18.3.5 Any liability towards the Issuer which is incurred by the Trustee 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.
- 18.4 **Replacement of the Trustee**
- 18.4.1 Subject to Condition 18.4.6, the Trustee may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Trustee at a Noteholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- 18.4.2 Subject to Condition 18.4.6, if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.3 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), require that a Noteholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. 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 Trustee be dismissed and a new Trustee appointed.

- 18.4.4 If the Noteholders have not appointed a successor Trustee within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- 18.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- 18.4.7 Upon the appointment of a successor, the retiring Trustee 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 Trustee. 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 Trustee.
- 18.4.8 In the event that there is a change of the Trustee in accordance with this Condition 18.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee agree otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

18.5 New Trustee and Separate and Co-Trustees

- 18.5.1 One or more persons may hold office as trustee or trustees under the Trust Deed but such trustee or trustees shall be or include a trust corporation. The power to appoint a new trustee under the Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by the Noteholders pursuant to Condition 16.6. Any appointment of a new trustee shall as soon as practicable thereafter be notified by the Issuer to the Noteholders in accordance with these Terms and Conditions.
- 18.5.2 Notwithstanding the above, the Trustee may appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee in certain circumstances.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 19.1 The Issuer has appointed the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by

the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed.

20. APPOINTMENT AND REPLACEMENT OF THE CSD

20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.

20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on a Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

21. NO DIRECT ACTIONS BY NOTEHOLDERS

No Noteholder shall itself be entitled to proceed directly against the Issuer unless the Trustee, having become bound to so proceed, fails to do so within a reasonable time and such failure is continuing. Further, a Noteholder may not take any steps whatsoever to enforce or recover any amount due or owing to it pursuant to the Trust Deed and/or the Notes, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Trust Deed and/or the Notes. Such steps may only be taken by the Trustee.

22. PRESCRIPTION

The right to receive repayment of the principal of the Notes shall become prescribed ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void five (5) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed.

23. NOTICES AND PRESS RELEASES

23.1 Notices

23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Trustee, shall be given at Sveavägen 9, 111 57 Stockholm;
- (b) if to the Issuer, shall be given at the address specified on its website www.millicom.com on the Business Day prior to dispatch; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Trustee.

23.1.2 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, or, if between the Issuer and the Trustee, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 23.1.1, or, in case of email, when received in readable form by the email recipient.

23.1.3 Any notice pursuant to the Finance Documents shall be in English.

23.1.4 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.

23.2 **Press releases**

23.2.1 Any notice that the Issuer or the Trustee shall send to the Noteholders pursuant to Conditions 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 9.5 (*Repurchase with Excess Proceeds*), 10.1.2, 12.4, 14.15, 15.1, 16.1 and 17.3 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

23.2.2 In addition to Condition 23.2.1, if any information relating to the Notes or the Issuer contained in a notice the Trustee may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Trustee 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 Trustee 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 Trustee shall be entitled to issue such press release.

24. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

24.1 Neither the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.

24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

24.3 Should a Force Majeure Event arise which prevents the Trustee 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.

24.4 The provisions in this Condition 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

25.1 No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent, if any, that the Notes

- expressly provide for such Act to apply to any of their terms. This does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 25.2 For the avoidance of doubt, the Issuing Agent is intended by the parties to this Agreement to have the rights under the Contract (Rights of Third Parties) Act 1999 to enforce the terms of Condition 4 (*Condition Precedent*)
- 26. GOVERNING LAW AND JURISDICTION**
- 26.1 The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with English law.
- 26.2 The Issuer has in the Trust Deed agreed for the benefit of the Trustee and the Noteholders that the English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with the Trust Deed or the Notes (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by the Trust Deed and the Notes; and (ii) any non-contractual obligation arising out of or in connection with the Trust Deed and the Notes and accordingly submits to the exclusive jurisdiction of the English courts. For such purposes each of the Issuer and the Trustee irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.
- 26.3 Notwithstanding that, under the Financial Instruments Accounts Act or the operating procedures, rules and regulations of the CSD, (together, the "**Swedish Remedies**"), holders of the Notes may have remedies against the Issuer for non-payment or non-performance under the Trust Deed and the Notes, a Noteholder must first exhaust all available remedies in the courts of England and Wales for non-payment or non-performance before any proceedings may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding the above, and in this limited respect only, a Noteholder may not therefore take concurrent proceedings in Sweden.
- 26.4 The Issuer:
- (a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes; and
 - (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.
- 26.5 To the extent permitted by law, the Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed and the Notes against the Issuer in any other court of competent jurisdiction.
- 26.6 If at any time the Issuer ceases to maintain an office at 5th Floor, 610 Chiswick High Road, London, W4 5RU, United Kingdom or at such other address in England and Wales as the Issuer may specify by notice in writing to the Trustee to which service of process and any

other documents in proceedings in England in connection with the Trust Deed and the Notes, including these Terms and Conditions may be made, the Issuer shall appoint an agent in England to which process and any such documents may be served. Any writ, judgment or other notice of legal process shall be sufficiently served on the Issuer if delivered to it (or, if appointed, such agent) at its address in England for the time being. The Issuer undertakes with the Trustee not to revoke the authority of any such agent without the prior written consent of the Trustee.

- 26.7 The Issuer agrees that failure by a process agent (howsoever appointed) to notify the Issuer of the process will not invalidate the proceedings concerned.

ADDRESSES

THE ISSUER

Millicom International Cellular S.A.
2, rue du Fort Bourbon
L-1249 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. Luxembourg: B 40630

JOINT BOOKRUNNER AND ISSUING AGENT

Nordea Bank AB (publ)

Smålandsgatan 17
SE-105 71 Stockholm
Sweden

JOINT BOOKRUNNER

DNB Bank, ASA Sweden Branch

Investment Banking Division
Regeringsgatan 59
105 88 Stockholm
Sweden

LEGAL ADVISORS TO THE ISSUER

Swedish counsel

Advokatfirman Cederquist KB

Hovslagargatan 3
P.O. Box 1670
SE-111 96 Stockholm
Sweden

English counsel

Orrick, Herrington & Sutcliffe (Europe) LLP

107 Cheapside
London EC2V 6DN
United Kingdom

Luxembourg counsel

Hogan Lovells (Luxembourg) LLP

13, rue Edward Steichen
L-2540 Luxembourg
Grand-Duchy of Luxembourg

LEGAL ADVISORS TO THE JOINT BOOKRUNNERS

Swedish counsel

Mannheimer Swartling Advokatbyrå AB

Norrlandsgatan 21
SE-111 87 Stockholm
Sweden

English counsel

Slaughter and May Limited

1 Bunhill Row
London EC1Y 8YY
United Kingdom

TRUSTEE

Intertrust CN (Sweden) AB

Sveavägen 9
111 57 Stockholm
Sweden

CENTRAL SECURITIES DEPOSITARY

Euroclear Sweden AB

Box 191
SE-101 Stockholm
Sweden

INDEPENDENT AUDITORS

Ernst & Young S.A.
7, Rue Gabriel Lippmann,
Parc d'Activité Syrdall 2,
Luxembourg, L-5365 Munsbach
Grand-Duchy of Luxembourg