



Steen & Strøm AS

Securities Note

for

FRN Steen & Strøm AS Unsecured Open Bond Issue 2017/2022

Joint Lead Arrangers:



Oslo, 27 November 2017

Important information*

The Securities Note has been prepared in connection with listing of the securities on the Oslo Børs. The Norwegian FSA (“Finanstilsynet”) has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. Finanstilsynet has not controlled and approved the accuracy or completeness of the information given in the Securities Note. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note. The Securities Note was approved by the Norwegian FSA on 28 November 2017.

New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower and the Joint Lead Arrangers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Norwegian FSA implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are required by the Borrower and the Joint Lead Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The Securities Note dated 27 November 2017 together with the Registration Document dated 27 November 2017 constitutes the Prospectus.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek their own independent legal, financial and/or tax advice.

Contact the Borrower or the Joint Lead Arrangers to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Modification and Waiver

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

The conditions of the Bonds also provide, among other things, that:

The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.

The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other obligor unless to the extent expressly set out in the Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of the Bond Terms.

The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with the Bond Terms, any other Finance Document, or any applicable law.

Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.

The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

*The capitalised words in the section "Important Information" are defined in Chapter 3: "Detailed information about the securities".

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1 Risk Factors

Investing in bonds issued by Steen & Strøm AS (the “Issuer”) involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those related to the Issuer as set out in the Registration Document, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Registration Document, are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer’s business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 27 November 2017 and reach their own views prior to making any investment decision.

Risk factors material to the securities

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are five main risk factors that sum up the investors total risk exposure when investing in interest bearing securities with a fixed interest rate: liquidity risk, interest rate risk, settlement risk, credit risk and market risk (both in general and issuer specific).

Liquidity risk is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. A lack of demand for the bonds may result in a loss for the bondholder.

Interest rate risk is the risk that results from the variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Settlement risk is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

Credit risk is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest).

Market risk is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants’ view of the credit quality of the Issuer as well as established and available credit lines.

2 Persons Responsible

2.1 Persons responsible for the information

Persons responsible for the information given in the Securities Note are:
Steen & Strøm AS, Støperigt. 1, N-0250 Oslo, Norway.

2.2 Declaration by persons responsible

Responsibility statement:

Steen & Strøm AS confirms, having taken all reasonable care to ensure that such is the case, that the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 27 November 2017

3 Detailed information about the securities

ISIN code:	NO0010805799
The Loan/The Reference Name/The Bonds:	"FRN Steen & Strøm AS Unsecured Open Bond Issue 2017/2022".
Borrower/Issuer/Company:	Steen & Strøm AS, registered in the Norwegian Companies Registry with registration number 962 073 182.
Group:	The Issuer and its Subsidiaries, and a "Group Company" mean the Issuer or any of its Subsidiaries.
Security Type:	Bond issue with floating rate.
Borrowing Limit – Tap Issue:	NOK 1,000,000,000
Borrowing Amount/First Tranche:	NOK 750,000,000
Denomination – Each Bond:	NOK 1,000,000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	14 September 2017.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.
Interest Bearing To:	Maturity.
Maturity:	14 September 2022.
Coupon Rate:	Reference rate + Margin equal to 1.52 % p.a. for the interest period ending on 14 December 2017 (subject to adjustment according to the Business Day Convention).
Reference rate:	3 months NIBOR
Margin:	0.70 percentage points p.a.
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	If the relevant Interest Payment Date falls on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (Modified Following Business Day Convention).
Interest Rate Determination Date:	12 September 2017, and thereafter two Business Days prior to each Interest Payment Date.
Interest Rate Adjustment Date:	Coupon Rate determined on an Interest Rate Determination Date will be effective from and including the accompanying Interest Payment Date.
Interest Payment Date:	Each 14 March, 14 June, 14 September and 14 December in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. The first Interest Payment Date being 14 December 2017 (subject to adjustment according to the Business Day Convention).
#Days first term:	91 days.

Yield:	Dependent on the market price. On 24 November 2017 the yield was indicated to 1.50 % p.a.
Business Day:	Any day on which the CSD settlement system is open and the relevant system is open.
Put Option:	Upon the occurrence of a Change of Control Event each Bondholder shall have a right of pre-payment (a “Put Option”) of its Bonds at a price of 100 % of par plus accrued interest. The Put Option must be exercised within two months after the Issuer has given notification to the Bond Trustee and the Bondholders of a Change of Control Event.
Call Option:	N/A
Change of Control Event:	<p>If any person or group of persons acting in concert, other than Klépierre or Stichting Pensioenfonds ABP, gains control of more than 50% of the Issuer’s share capital or voting rights and a Rating Downgrade occurs as a direct result of such Change of Control Event.</p> <ul style="list-style-type: none">(a) Acting in concert means acting together pursuant to an agreement of understanding (whether formal or informal); and(b) Control means having the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.(c) Rating Downgrade means that the Public Rating previously assigned to the Issuer by a Rating Agency is lowered. Lowered means one or more rating categories down by any Rating Agency. If a Change of Control Event takes place and the Public Rating is put on negative watch as a direct result of such Change of Control Event, and a Rating Downgrade takes place within nine (9) months thereafter, this should be deemed to be a Change of Control Event. <p>In the event that the Issuer discontinues to have a Public Rating, and after such a Public Rating termination, any person or group of persons acting in concert, other than Klépierre or Stichting Pensioenfonds ABP, gains control of more than 50% of the Issuer’s share capital or voting rights and this entity at that time does not have a Public Rating or have a Public Rating which is lower than Klépierre’s Public Rating, this should be deemed to be a Change of Control Event.</p>
Amortisation:	The Bonds will run without installments and be repaid in full at Maturity at par.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, pt. 3 years for interest rates and 10 years for principal.
Status of the Loan and security:	<p>The Issuer’s payment obligations under the Bond Agreement shall rank ahead of all subordinated payment obligations of the Issuer and shall rank at least pari passu with all the Issuer’s other obligations, save for (i) secured obligations to the extent they are secured and (ii) obligations which are mandatorily preferred by law.</p> <p>The Bonds are unsecured.</p>
Undertakings:	<p>The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):</p> <ul style="list-style-type: none">(a) ensure that its obligations under the Bond Agreement shall at

all time rank at least pari passu as set out in Status of the Bonds in the Bond Agreement,

- (b) not, and shall ensure that no Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any of the Subsidiaries with any other companies or entities if such transaction would have a Material Adverse Effect,
- (c) not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving a split of the Issuer or any of the Subsidiaries into two or more separate companies or entities, if such transaction would have a Material Adverse Effect,
- (d) not cease to carry on its business, and shall procure that no substantial change is made to the general nature of the business of the Group,
- (e) not, and shall procure that no other Group Company shall, sell or otherwise dispose of all or substantial part of the Group's assets or operations unless;
 - (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and
 - (ii) such transaction would not have a Material Adverse Effect,
- (f) not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value,
- (g) not change its type of organization or jurisdiction of incorporation if such change would have a Material Adverse Effect, and
- (h) ensure that all other Group Companies shall carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time.

The Issuer undertakes to comply with the following financial covenant during the term of the Bond Issue:

Equity Ratio:

The Issuer shall ensure that the Group, on a consolidated basis, at all times maintains a book equity which constitutes more than 20 % of total assets.

The Equity Ratio shall be calculated on each 30 June and 31 December.

See Bond Agreement clause 2 for definitions.

Listing:

At Oslo Børs (the "Exchange").

An application for listing will be sent after the Disbursement Date and as soon as possible after the Prospectus has been approved by the Norwegian FSA (see Important notice on page 2 for duties and responsibility of the Norwegian FSA). The Prospectus will be published in Norway. If the Bonds are listed, the Issuer shall ensure that the Bonds remain listed until they have been discharged in full.

Prospectus:

The Securities Note dated 27 November 2017 together with the Registration Document dated 27 November 2017 constitutes the Prospectus.

Securities Note:

This document dated 27 November 2017

Purpose:	Refinancing of NO0010657182 and general corporate purposes.
NIBOR:	The rate for an interest period will be the rate for deposits in Norwegian Kroner for a period as defined under Reference Rate which appears on the Oslo Børs' webpage at approximately 12.15 Oslo time, on the day that is two Business Days preceding that Interest Payment Date. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the Reference Rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo.
Approvals:	<p>The Bonds were issued in accordance with a Power of Attorney given by the Issuer's Board of Directors dated 22 April 2016.</p> <p>The Prospectus will be sent to the Norwegian FSA and Oslo Børs ASA for control and approval in relation to a listing application of the Loan.</p>
Bond Agreement/Bond Terms:	<p>The Bond Agreement has been entered into between the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Bond Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. When Bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.</p> <p>The Bond Agreement is attached to this Securities Note and is also available through the Joint Lead Arrangers or from the Borrower.</p>
Bondholders' meeting:	<p>At the Bondholders' meeting each Bondholder has one vote for each bond he owns.</p> <p>In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the meeting. See also clause 7.1 in the Bond Agreement. Even if less than half (1/2) of the voting bonds are represented, the Bondholders' Meeting shall be held and voting completed.</p> <p>Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, unless otherwise set forth in clause 7.1(f) in the Bond Agreement.</p> <p>In the following matters, a majority of at least 2/3 of of the voting bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of the Bond Terms, including a change of Issuer and change of Bond Trustee</p> <p>(For more details, see also Bond Agreement clause 7)</p>
Availability of the Documentation:	www.steenstrom.com
Bond Trustee:	<p>Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.</p> <p>The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond Agreement and applicable laws and regulations which are relevant to the terms of the Bond Agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent</p>

and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond Agreement.

(For more details, see also Bond Agreement clause 8)

Joint Lead Arrangers:	Danske Bank A/S, Norwegian branch, Søndre Gate 13-15, N-7466 Trondheim, Norway, and DNB Bank ASA, Dronning Eufemias gt 30, N-0191 Oslo, Norway Skandinaviska Enskilda Banken AB (publ), Norwegian branch, Filipstad Brygge 1, N-0252 Oslo, Norway
Paying Agent:	DNB Bank ASA, Verdipapirservice, Dronning Eufemias gt 30, N-0191 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.
Calculation Agent:	The Bond Trustee.
Securities Depository:	The Securities depository in which the Loan is registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository. On Disbursement Date the Securities Depository is Verdipapirregisteret ("VPS"), Postboks 4, N-0051 Oslo, Norway.
Eligible purchasers:	The Bonds are not being offered to and may not be purchased by investors located in the United States except for "Qualified Institutional Buyers" (QIBs) within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended ("Securities Act"). Each U.S. investor that wishes to purchase Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB. The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.
Restrictions on the free transferability:	Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act or (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 there under (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.
Market-Making:	There is no market-making agreement entered into in connection with the Loan.
Estimate of total expenses related to the admission to trading:	Prospectus fee (NFSA) Registration Document NOK 60,000 Prospectus fee (NFSA) Securities Note NOK 16,000 Listing fee 2017 (Oslo Børs): NOK 7,903 Registration fee (Oslo Børs): NOK 5,700
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Borrower shall pay any stamp duty and other public fees in

connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

4 Additional Information

The involved persons in Steen & Strøm AS have no interest, nor conflicting interests that are material to the Loan.

Steen & Strøm AS has mandated Danske Bank A/S, DNB Bank ASA and Skandinaviska Enskilda Banken AB as Joint Lead Arrangers for the issuance of the Loan. The Joint Lead Arrangers have acted as advisor to Steen & Strøm AS in relation to the pricing of the Loan.

Statement from the Joint Lead Managers:

Danske Bank A/S, Norwegian branch, DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ), Norwegian branch, the Joint Lead Managers, have assisted the Borrower in preparing the prospectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 27 November 2017

Danske Bank A/S,
Norwegian branch
(www.danskebank.no)

DNB Bank ASA
(www.dnb.no)

Skandinaviska Enskilda Banken AB
(publ), Norwegian branch
(www.seb.no)

Credit rating:

The issuer is rated A- by Standard & Poor's Credit Market Services.

Standard & Poor's Credit Market Services is established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") and are on the list of registered credit rating agencies published on ESMA website: <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date. Each bond is negotiable.

5 Appendix: Bond Agreement