

Term Sheet



2.62% Steen & Strøm AS senior unsecured open bond issue 2015/2022 (the “Bonds” or the “Bond Issue”)

ISIN:	NO 0010739907
Issuer:	Steen & Strøm AS (organization number 962 073 182)
Type of issue:	Fixed rate bond issue
Tenor:	7 years
Amount:	NOK 400,000,000
Disbursement/Settlement Date:	Expected to be 8 June 2015
Maturity Date:	Expected to be 8 June 2022
Nominal value:	The Bonds will have a nominal value of NOK 1,000,000 each
Issue price:	100% (par)
Coupon rate:	2.62% p.a.
First Interest Payment Date	8 June 2016, 12 months after Settlement Date
Interest Payment Dates	Annually in arrears
Day Count Fraction-Coupon:	30/360, unadjusted
Status of the Bonds:	The Issuers payment obligations under this Bond Agreement shall rank ahead of all subordinated payment obligations of the Issuer and shall rank at least <i>pari passu</i> 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.
General Covenants:	The Issuer undertakes to (either in one action or as several actions, voluntarily or involuntarily): a) ensure that its obligations under this Bond Agreement shall at all time rank at least <i>pari passu</i> as set out in Status of the Bonds. 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, 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.

Financial covenant:

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 Interim Date, and be reported to the Trustee.

Change of Control Event:

A change of Control Event occurs if any person or group of persons acting in concert, other than Klepierre 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 credit rating or have a rating which is lower than Klepierre's credit rating.

- (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

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 101 % 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. Such notification shall be given as soon as possible after a Change of Control Event has taken place. The Put Option may be exercised by the Bondholders by giving written notice of the request to its Account Manager. The Account Manager shall notify the Paying Agent of the pre-

payment request. The settlement date of the Put Option shall be fifteen – 15 – Business Days following the date when the Paying Agent received the repayment request.

Event of Default:

The Bond Agreement shall include standard event of default provisions, as well as cross default provisions for the Issuer and any Group Company subject to carve out of NOK 10 million.

Purpose:

General corporate purposes.

DEFINITIONS:

Book Equity: The aggregate consolidated book value of the Group's total equity treated as equity accordance with GAAP, as set out in the most recent Financial Statements (or, if more recent, the latest Interim Reports) of the Issuer.

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

- 1) A majority of the voting rights in that other person; or
- 2) A right to elect or remove a majority of the members of the board of directors of the other person,

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

Financial Statements: the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, drawn up according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

Group: means the Issuer and its Subsidiaries, and a "Group Company" means the Issuer or any of its Subsidiaries.

Interim Date: Each 30 June and 31 December

Interim Report: The unaudited consolidated management accounts of the Issuer as of each Interim Date, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.

Material Adverse Effect: A material adverse effect on: (a) the business, financial condition or operations of the Issuer and or the Group (taken as a whole), (b) the Issuer's ability to perform and comply with its obligations under the Bond Agreement, or (c) the validity or enforceability of the Bond Agreement.

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

Subsidiary: means a company over which another company has Decisive Influence.

Total Assets: The aggregate consolidated book value of the Group's

total assets which are treated as assets in accordance with GAAP, as set out in the then most recent Financial Statements (or, if more recent, the latest Interim Reports) of the Issuer.

Issuer's ownership of bonds:	The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer's discretion be retained by the Issuer, sold and discharged against the remaining Bonds.
Arrangers:	Danske Bank Markets and DNB Markets
Trustee:	Nordic Trustee ASA, Postboks 1470 Vika, NO-0116 Oslo, Norway
Paying Agent:	DNB Bank ASA, Verdipapirservice
Website:	www.steenstrom.no
Registration:	The Norwegian Central Securities Depository ("VPS"). Principal and interest accrued will be credited the bondholders through VPS.
Listing:	An application will be made for the Bonds to be listed on Oslo Børs
Market making:	No market-maker agreement has been made for this Bond Issue.
Approvals:	Power of attorney dated 28 November 2013.
Reporting:	The Issuer shall of its own accord make financial reports (yearly and quarterly, on a consolidated basis, written in English) available to the Trustee and on its web pages for public distribution not later than 120 days after the end of the financial year and not later than 60 days after the end of the relevant interim period
Bond Agreement:	<p>The Bond Agreement shall be based on Norwegian bond market standards and will be entered into by the Issuer and the Trustee acting as the bondholders' representative. The Bond Agreement regulates the bondholders' rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Agreement, then the Bond Agreement shall prevail. The Subscriber is deemed to have granted authority to the Trustee to finalize the Bond Agreement. Minor adjustments to the structure described in this Term Sheet may occur.</p> <p>The Trustee will execute and deliver the Bond Agreement and the latter's execution and delivery is on behalf of all of the subscribers, such that they thereby will become parties to the Bond Agreement.</p> <p>The Bond Agreement shall specify that all Bond transfers shall be subject to the terms thereof, and the Trustee and all Bond transferees shall, in taking transfer of Bonds, be deemed to have accepted the terms of the Bond Agreement, which specifies that all such transferees shall automatically become parties to the Bond Agreement upon completed transfer having been registered in the VPS, without any further action required to be taken or formalities to be complied with. The Bond Agreement shall further specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Trustee</p> <p>or the Issuer, and such availability shall be recorded in the VPS particulars relating to the Bonds.</p>

- 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.
- Transfer restrictions:** 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.
- Subject to:** Finalized Bond documentation and approval of Bond documentation by the Trustee and the Issuer.

1 June 2015

Danske Bank

