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No. L 077103

PARTICIPATING DEBENTURE

Aktiebolaget KREUGER & TOLL

Issue of Kronor 65,000,000 participating debentures in denominations of Kronor 20, 40, 100 and 500 pursuant to resolution of the shareholders of the Company passed on 15th May 1928.

The undersigned, Aktiebolaget Kreuger & Toll, a limited liability Company of Stockholm, (hereinafter called "the Company") registered under the Swedish Companies' Act and having a share capital of Kronor 65,000,000 divided into 650,000 shares of Kronor 100 each (which shares together with all other shares which may be issued ranking equally therewith as regards participation in profits are hereinafter called "Ordinary shares"), hereby promises to pay to the HOLDER of this Debenture on notice given at the time and in the manner hereinafter mentioned, the sum of

ONE HUNDRED KRONOR

with interest thereon at the rate of five (5) per cent per annum from 1st January, 1928, until redemption.

1. On 1st July, 2003, and on any interest date thereafter the Holder hereof has the right, on giving six months' previous notice in writing to the Company and upon surrender of this Debenture, to call for payment of this Debenture at par and accrued interest at the rate of five (5) per cent per annum.

2. Should the dividend paid or declared on the Ordinary shares of the Company in respect of any fiscal year exceed five (5) per cent the Holder of this Debenture shall be entitled in respect of such fiscal year to additional interest of one (1) per cent for each one (1) per cent so paid or declared on the Ordinary shares in excess of five (5) per cent.

3. Attached to this Debenture are 30 coupons and a talon for further coupons. Interest on this Debenture, including additional interest, if any, calculated on the dividend paid or declared for the year ending on the preceding 31st December, will be paid annually on 1st July against surrender of the appropriate coupon. The first interest payment will be made on 1st July, 1929, and will represent interest at five (5) per cent, plus additional interest, if any, in respect of the year ending on 31st December 1928.

4. In the event of the Company increasing its share capital either by the issue of bonus shares or in such a manner that the shareholders have a preferential right to subscribe, a proportionate amount of Debentures will be issued either as a bonus to existing Debenture Holders in proportion to their holdings or existing Debenture Holders will be given the right to subscribe for the new Debentures in proportion to their holdings. The new Debentures shall confer the following rights as regards participation in profits.

If the increase in capital should be in the form of Ordinary shares as above defined, the new Debentures to be issued shall rank equally in all respects with the present Debentures.

If the increase in capital should be in the form of shares not ranking equally as regards participation in profits with the Ordinary shares, the new Debentures to be issued shall carry similar rights as regards participation in profits to the shares then being issued but shall in all other respects rank equally with and be subject to the same conditions as the present Debentures.

All issues of new Debentures under this clause shall be on such terms that the position of the holders of the existing Debentures