

Execution version

BOND TERMS

FOR

**Ziton A/S FRN second secured EUR 25,000,000 callable PIK bonds
2018/2022**

ISIN NO 0010832512

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS	19
3. THE BONDHOLDERS	21
4. ADMISSION TO LISTING	21
5. REGISTRATION OF THE BONDS	22
6. CONDITIONS FOR DISBURSEMENT.....	22
7. REPRESENTATIONS AND WARRANTIES	24
8. PAYMENTS IN RESPECT OF THE BONDS	26
9. INTEREST.....	28
10. REDEMPTION AND REPURCHASE OF BONDS	29
11. PURCHASE AND TRANSFER OF BONDS.....	32
12. INFORMATION UNDERTAKINGS	32
13. GENERAL AND FINANCIAL UNDERTAKINGS	33
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	39
15. BONDHOLDERS' DECISIONS	42
16. THE BOND TRUSTEE.....	47
17. AMENDMENTS AND WAIVERS	52
18. MISCELLANEOUS	52
19. GOVERNING LAW AND JURISDICTION.....	54

SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between

ISSUER: Ziton A/S, a company existing under the laws of Denmark with company registration number 246 20 417 and LEI-code 213800F2WOUKCYJYYX95; and

BOND TRUSTEE: Nordic Trustee AS, a company existing under the laws of Norway with company registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.

DATED: 3 October 2018

These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Additional Security**” means collectively the New Vessel Share Pledge, the New Vessel Insurance Assignment, the New Vessel Mortgage and the New Vessel Guarantee.

“**Advanced/Deferred Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over that person.

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Assignments of Insurances**” means assignments of the Issuer’s and the Guarantors’ entitlements under the insurances related to the Vessels (other than third party liability insurances), including the New Vessel Insurance Assignment (if and when granted).

“**Attachment**” means each of the attachments to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

“**Bondholders' Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

“**Bond Issue**” means the aggregate Nominal Amount of all Bonds.

“**Bonds**” means the debt instruments issued by the Issuer pursuant to these Bond Terms, including PIK Bonds.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and which is a TARGET-Day.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**BWB Equity Partners**” means BWB Partners II K/S with company registration number 35439889) (being the equity fund indirectly owning the majority of the shares in the Issuer) and any successor equity fund structure owing such shares provided that a majority of the legal persons (i.e. the partners in the fund) controlling the fund remain unchanged.

“**BWC**” means Blue Water Capital, owner of 50 per cent of the shares in Jack-Up InvestCo 3 (prior to the purchase of such shares by the Issuer and Jack-Up InvestCo 2 as provided for in Clause 2.3).

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*) and the Optional Call determined by the Issuer pursuant to Clause 10.4 (*Mandatory repurchase due to a Put Option Event – Optional Call*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Capacity Utilisation**” means the weighted average utilisation rate calculated as revenue during the quarter divided by full utilisation at an aggregate day rate of EUR 135,000 for the Vessels (excluding any New Vessel).

“**Cash Equivalent Investments**” means, in respect of the Group, and at any time, (i) immediately available funds at bank or postal accounts, (ii) any investment in marketable debt obligations issued by the Issuer or by any other party, and (iii) any investment in investment funds which invest substantially all their assets in securities of the types described in paragraph (ii) above, however, for the avoidance of doubt, any undrawn and available amounts under the Super Senior Working Capital Facility shall not be considered Cash Equivalent Investments.

“**Cash Report**” means a report prepared by the Issuer evidencing the Liquidity balance of the Group as per the relevant Liquidity Testing Date.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons, not being BWB Equity Partners or an Affiliate thereof, acting together, acquire Decisive Influence over the Issuer.

“**CIBOR**” means the Copenhagen Interbank Offered Rate.

“**Client Cancellation**” means an event where either or both of the Issuer and Siemens Gamesa Renewable Energy cancels the Siemens Gamesa Contract due to a breach of the Issuer, and such a cancellation does not result in the Issuer receiving the remaining 80 per cent. of the outstanding contract value of the Siemens Gamesa Contract.

“**Co-Investor Loan**” means the subordinated loan to the Issuer from a co-investor of BWB Equity Partners in the approximate amount of EUR 37,800,000 as per 30 June 2018, of which EUR 17,000,000 is to be repaid with parts of the loan proceeds while the remainder will mature after the Maturity Date.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**Decisive Influence**” means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**EBITDA**” means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any net financial items;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business, provided that such items are not in excess of an amount equal to ten (10) per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs (including any costs relating to the refinancing and the Existing Bond and the partial repayment of the Co-Investor Loan) and any transaction costs relating to any acquisition of any New Vessel;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation, depletion or depletion of assets of members of the Group.

“Equity” means share capital and any other capital that in accordance with applicable accounting standards would be shown in the Issuer's consolidated Financial Reports as equity of the Group.

“Equity Capital Raising” means a minimum EUR 50,000,000 contribution in the form of Equity or Subordinated Loans raised after the Issue Date, excluding any capital raised for the purpose of financing the purchase of a New Vessel.

“Equity Clawback” shall have the meaning ascribed to such term in Clause 10.3 (*Voluntary early redemption – Equity Clawback*).

“Equity Clawback Repayment Date” means the settlement date for an Equity Clawback, as set out in Clause 10.3 (*Voluntary early redemption – Equity Clawback*).

“Equity Listing Event” means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

“**Escrow Account**” means a bank account pledged and blocked on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchanges**” means the Oslo Stock Exchange and Frankfurt Open Market.

“**Existing Bond**” means the Senior Secured Callable Bond Issue with ISIN NO 0010751332.

“**Finance Documents**” means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed (including acceptance credit and any overdraft facility);
- (b) any bond, note, debenture, loan stock or other similar instrument;
- (c) the amount of any liability in respect of any lease, hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (d) receivables sold or discounted (other than any receivables sold on a non-recourse basis);
- (e) any sale and lease-back transaction, or similar transaction which is treated as indebtedness under IFRS;
- (f) any liability under a deferred purchase agreement where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price, including without limitation currency or interest rate swaps, caps or collar transactions (and, when calculating the value of the transaction, only the marked-to-market value shall be taken into account);
- (h) any amounts raised under any other transactions having the commercial effect of a borrowing or raising of money, (including any forward sale or purchase agreement);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of any underlying liability; and

- (j) (without double counting) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any of the items referred to above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**Financial Support**” means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

“**First Call Date**” means the Interest Payment Date falling in April 2020.

“**First Lien Bonds**” means the bonds in the maximum nominal amount of EUR 125,000,000 issued by the Issuer with ISIN NO0010832488.

“**GAAP**” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, the International Financial Reporting Standards (“**IFRS**”) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time, but IFRS following listing of the Bonds pursuant to Clause 4 (*Admission to listing*).

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**Guarantees**” means unconditional and irrevocable on-demand guarantees issued by each of the Guarantors in relation to the Finance Documents, with payment by the Guarantors to be made within fourteen (14) Business Days of any demand, including the New Vessel Guarantee (if and when established).

“**Guarantor**” means each of:

- (a) Jack-Up InvestCo 3 Plc (“**Jack-Up InvestCo 3**”), with company registration no. C 57037, incorporated in the Republic of Malta;
- (b) Jack-Up InvestCo 2 A/S (“**Jack-Up InvestCo 2**”), with company registration no. 34589801, incorporated in Denmark; and
- (c) any New Vessel SPV (if established).

“**Incurrence Test**” shall have the meaning ascribed to such term in Clause 13.15 (*Financial Covenants and Incurrence Test*).

“**Initial Nominal Amount**” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or

- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its center of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

“**Instalments**” has the meaning ascribed to such term in Clause 10.1 (*Redemption of Bonds*).

“**Intercompany Loan**” means any loan between Group companies, where any Intercompany Loan in excess of EUR 1,000,000 under which an Obligor is a debtor shall be fully subordinated to the Obligors’ obligations under the Finance Documents and have no acceleration rights, as further set out in the terms of the relevant Intercompany Loan Agreement and pursuant to a Intercompany Loan Subordination Statement made in favour of the Bond Trustee (on behalf of the bondholders).

“**Intercompany Loan Agreement**” means any loan agreement in respect of Intercompany Loans.

“**Intercompany Loans Subordination Undertaking**” means an undertaking from relevant persons with respect to subordination of payments under any Intercompany Loans to the Obligors’ obligations under the Finance Documents, including subordination of acceleration rights.

“**Intercreditor Agreement**” means an agreement entered into on 3 October 2018 between, amongst others, the Obligors, the Bond Trustee (representing the Bondholders under the Bonds and the Second Lien Bond) and the Super Senior Creditors.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 3 January 2018 and the last Interest Payment Date being the Maturity Date, where the interest shall be settled by the issue of PIK Bonds to the Bondholders (and thus be accumulated and added to the Bond Issue).

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the period between 3 January, 3 April, 3 July and 3 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Rate**” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the applicable Margin. The Interest Rate shall be payable in kind by issuance of PIK Bonds.

“**Interest Quotation Day**” means, in relation to any period for which Interest Rate is to be determined, the day falling two (2) Business Days before the first day of the relevant Interest Period.

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer’s board of directors.

“**ISIN**” means International Securities Identification Number, being the identification number of the Bonds.

“**Issue Date**” means 3 October 2018 for the initial Bond Issue.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Legal Reservations**” means (a) the matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions provided for in Clause 6.1, (b) general principles of insolvency, reorganisation and other laws limiting creditors’ rights generally as regards matters not covered under such legal opinions, and (c) statutory time barring of claims.

“**Liquidity**” means, at any time and in each case free and clear of all Security, the aggregate amount of unrestricted and freely available cash of the Group in accordance with the Financial Reports (excluding cash proceeds retrieved upon the occurrence of Mandatory Prepayment Events):

- (a) plus Cash Equivalent Investments on hand by any member of the Group;
- (b) minus any amount of utilised loans under the Super Senior Working Capital Facility;
- (c) minus any amount of cash and cash equivalents on the Retention Account;
- (d) minus any cash on blocked accounts or which by way of agreement or otherwise are not available for utilisation by the entire Group;
- (e) minus any amount which is overdue for payment with more than fourteen (14) days in connection with supply of assets or services;
- (f) minus the amount of any Equity Capital Raising to cure any covenant breach pursuant to the Super Senior Working Capital Facility, which has been made to the Group during the last twelve (12) months;
- (g) minus any cash in a New Vessel SPV; and
- (h) minus the amount of any proceeds raised during the last twelve (12) months in connection with an Equity Capital Raising which are not used to prepay the Bonds.

“**Liquidity Testing Date**” means 30 June and 31 December each year.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) 105.93 per cent. of the Outstanding Nominal Amount; and
- (b) the remaining interest payments of the Bonds (excluding accrued but unpaid interest up to the relevant redemption date) up to and including the First Call Date (assuming that

the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which the Call Option notice is given to the bondholders).

“**Manager**” means Pareto Securities AB.

“**Mandatory Prepayment**” shall have the meaning ascribed to such term pursuant to Clause 10.6 (*Mandatory prepayment – Mandatory Prepayment Event*).

“**Mandatory Prepayment Date**” means any settlement date for a Mandatory Prepayment pursuant to Clause 10.6 (*Mandatory prepayment – Mandatory Prepayment Event*).

“**Mandatory Prepayment Event**” means if (save for in connection with a Permitted Group Reorganisation):

- (a) WIND SERVER is sold or disposed of;
- (b) a Client Cancellation of the Siemens Gamesa Contract occurs;
- (c) the Issuer ceases to own directly or indirectly all the outstanding shares and/or voting capital of Jack- Up InvestCo 3 (following the purchase of shares from BWC);
- (d) there is an actual or constructive total loss of WIND SERVER;
- (e) there is an actual or constructive total loss of WIND or WIND PIONEER;
- (f) WIND, WIND PIONEER or any New Vessel, are sold or disposed of;
- (g) any shares in Jack-Up InvestCo 2 are sold or disposed of; or
- (h) the Siemens Gamesa Contract is cancelled by the client and the Issuer, or a Subsidiary thereof, receives 80 per cent of the revenues for the remaining life of the Siemens Gamesa Contract.

“**Margin**” means 11.85 per cent. per annum.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its payment obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“**Maturity Date**” means 3 April 2022, adjusted according to the Business Day Convention.

“**Mortgages**” means the mortgages over each of the Vessels including all relevant equipment being legally part of the Vessels (including the cranes) under the applicable law where the Vessels are registered, including the New Vessel Mortgage (if and when granted).

“Net Interest Bearing Debt” means the aggregate interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding any, guarantees, counter indemnities in respect of bank guarantees, Subordinated Loans and interest bearing debt borrowed from any Group Company) subject to the adjustments set out Clause 13.15 (c).

“New Vessel” means any fully constructed offshore jack-up wind turbine O&M vessel purchased or otherwise acquired to be utilised in the ordinary course of business.

“New Vessel Guarantee” means an unconditional and irrevocable on-demand guarantee issued by any New Vessel SPV in relation to the Finance Documents, pursuant to which payment shall be made within fourteen (14) Business Days of any demand.

“New Vessel Insurance Assignment” means an assignment of the Issuer’s or (if established) the New Vessel SPV’s entitlements under the insurances related to the New Vessel (other than third party liability insurances).

“New Vessel Mortgage” means a mortgage over the New Vessel (granted by the Issuer or the New Vessel SPV) including all relevant equipment being legally part of the New Vessel (including the cranes) under the applicable law where the New Vessel is registered.

“New Vessel Share Pledge” means a pledge granted by the Issuer over 100 per cent. of the shares in the New Vessel SPV, together with, inter alia, letters of resignation (effective upon an Event of Default) from the current board members and covenants to obtain such from future board members, and other relevant documentation to ensure due perfection of the abovementioned pledge (each to the extent permissible under applicable law).

“New Vessel SPV” means a special purposes vehicle established to purchase or otherwise acquire a New Vessel.

“Nominal Amount” means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 (*Redemption and repurchase of Bonds*)) or any other amount following a split of Bonds pursuant to Clause 16.2, paragraph (j).

“Obligor” means the Issuer and any Guarantor(s).

“Optional Call” has the meaning given to it in Clause 10.4 (*Mandatory repurchase due to a Put Option Event – optional call*).

“Outstanding Bonds” means any Bonds not redeemed or otherwise discharged.

“Outstanding Nominal Amount” means the Nominal Amount of the Outstanding Bonds

“Overdue Amount” means any amount required to be paid by an Obligor under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“Partial Payment” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“Paying Agent” means Pareto Securities AS, being appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Permitted Debt” means any Financial Indebtedness:

- (a) incurred under the Bonds and the First Lien Bonds;
- (b) arising under the Super Senior Working Capital Facility.
- (c) arising under Intercompany Loans and customary intra-group cash pool arrangements only involving the Issuer and the Guarantors;
- (d) arising under any guarantee issued by a Group Company in the ordinary course of business;
- (e) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Secured Debt, but not any transaction for investment or speculative purposes;
- (f) arising under any interest rate hedging transactions in respect of payments to be made under the Secured Debt, but not any transaction for investment or speculative purposes;
- (g) incurred by the Issuer as Subordinated Loans;
- (h) incurred under Advanced/Deferred Purchase Agreements;
- (i) of the Group under any guarantee issued by a bank or other guarantee provider under a guarantee facility or separate guarantee, in the ordinary course of the Group’s business;
- (j) incurred as a result of a Tap Issue, meets the Incurrence Test on a pro forma basis and is applied towards financing the purchase of a New Vessel.
- (k) before any purchase of a New Vessel, incurred under any leasing obligations for a Temporary Chartered Vessel in a maximum amount of EUR 17,500,000 provided that a minimum Capacity Utilisation of 70 per cent. for the Vessels has been obtained during the most recent Reference Period;
- (l) until the Conditions Precedent for Disbursement have been fulfilled, any Existing Bond;
- (m) arising under financial leasing and credit card debt in the ordinary course of business, in an aggregate amount of EUR 1,500,000; and
- (n) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided that a call notice has been published and further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of

the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds.

“Permitted Group Reorganisation” means a potential reorganisation of the Group for commercial and/or tax benefits where after the Issuer becomes the direct owner of WIND SERVER and/or WIND PIONEER and/or a New Vessel and the relevant Guarantor(s) are dissolved.

“Permitted Security” means any Security:

- (a) granted under the Finance Documents for the Secured Debt;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advanced/Deferred Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (d) provided for hedging transactions set out in item (e) or (f) of the definition Permitted Debt;
- (e) relating to any Temporary Chartered Vessel, provided that no Security may be granted;
- (f) until the conditions precedent set out in Clause 6.1 (b) have been fulfilled, the existing Security for the Existing Bond;
- (g) of the Group under any guarantee issued by a Group Company or a bank or other guarantee provider under a guarantee facility or separate guarantee, in the ordinary course of the Group’s business;
- (h) provided for financial leasing and credit card debt set out in item (m) of the definition Permitted Debt; and
- (i) provided as security for obligations pursuant to any of items (b) and (j) of the definition of Permitted Debt.

“PIK Bonds” means the Bonds to be issued subsequently on each Interest Payment Date as settlement for Interest Payments.

“Put Option” shall have the meaning ascribed to such term in Clause 10.4 (*Mandatory repurchase due to a Put Option Event – Optional Call*).

“Put Option Repayment Date” means the settlement date for the Put Option Event pursuant to Clause 10.4 (*Mandatory repurchase due to a Put Option Event – Optional Call*).

“Reference Date” means the final date of a Reference Period for an Incurrence Test.

“Reference Period” means each period of twelve (12) consecutive calendar months.

“Reference Rate” shall mean EURIBOR (European Interbank Offered Rate) being;

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or,
- (b) if no screen rate is available for the relevant Interest Period;
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the Bond Currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if no quotation is available under paragraph (b), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in the Bond Currency offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders’ Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling three (3) Business Days after the Summons have been published; or,
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

“Repayment Date” means any Call Option Repayment Date, any Mandatory Prepayment Date, the Put Option Repayment Date, the Equity Clawback Repayment Date, the Default Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“Retention Account” means the Issuer’s bank account to be applied for prepositioning of payments in respect of interest payments and Instalments in accordance with Clauses 9.2 (*Payment of interest*) and 10.1 (*Redemption of Bonds*) respectively.

“Retention Account Pledge” means a pledge over the Issuer’s claim against the bank in which the Retention Account is held for the amount from time to time standing to the credit of the Issuer on the Retention Account.

“Secured Creditors” has the meaning given to such term in the Intercreditor Agreement.

“Secured Debt” means the payment obligations of the Obligors under the Finance Documents, the Super Senior Finance Documents and the documents defined as “Finance Documents” under the First Lien Bond.

“Secured Obligations” means all present and future obligations and liabilities of the Issuer under the Finance Documents and the other Secured Debt in accordance with the terms of the Intercreditor Agreement.

“Secured Parties” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders and the other Secured Creditors as defined in the Intercreditor Agreement.

“Securities Trading Act” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“Security” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Agent” means Nordic Trustee A/S or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“Security Agent Agreement” means any agreement whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“Share Pledges” means:

- (a) pledges granted by the Issuer and Jack-Up InvestCo 2 over 100 per cent of the shares in Jack-Up InvestCo 3 (the **“Share Pledge A”**);
- (b) a pledge granted by the Issuer over 100 per cent of the shares in Jack-Up InvestCo 2 (the **“Share Pledge B”**),

together with, inter alia, letters of resignation (effective upon an Event of Default) from the current board members and covenants to obtain such from future board members, and other relevant documentation to ensure due perfection of the abovementioned pledges (each to the extent permissible under applicable law).

“**Siemens Gamesa Contract**” means the three year time charter contract signed on 19 May 2014 between the Issuer and Siemens Gamesa Renewable Energy concerning WIND SERVER commenced on 14 March 2016.

“**Siemens Gamesa Contract Assignment**” means an assignment of or other security interest in the rights and entitlements of the Issuer under the Siemens Gamesa Contract (including all earnings payable and security granted by Siemens Gamesa thereunder), to the extent Siemens Gamesa consents thereto.

“**Subordinated Capital**” means the sum of (i) Equity, (ii) any Subordinated Loans and (iii) the Bonds.

“**Subordinated Capital Ratio**” means the ratio of Subordinated Capital to Total Assets.

“**Subordinated Loans**” means (i) any loan from a creditor which is not a group company to the Issuer and/or a Guarantor as the debtor, if such loan (a) according to its terms and pursuant to a subordination agreement on terms and conditions satisfactory to the Trustee, is subordinated to the obligations of the Issuer under the Bond Issue, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or amortisation dates or instalment dates which occur after the Maturity Date, (c) according to its terms yield only payment-in-kind for any interest exceeding CIBOR (3 months, floor at 0.00 per cent. to apply) plus 2 per cent. Annually and (ii) the Co-Investor Loan.

“**Subsidiary**” means a company over which another company has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Super Senior Finance Documents**” means the agreement for the Super Senior Working Capital Facility, any guarantee facility agreement entered into between the Super Senior Creditors and the Issuer or any Guarantor relating to performance guarantees in its ordinary course of business, the Security Documents and the Intercreditor Agreement.

“**Super Senior Working Capital Facility**” means the working capital provided to the Issuer under the Super Senior Working Capital Facility Agreement and a guarantee facility (in Danish: “*garantiramme*”), and any refinancing or replacements thereof, subject to the following limitations:

- (i) The nominal value of the working capital facility shall amount to maximum DKK 50,000,000; and
- (ii) The guarantee facility may only include performance guarantees in respect of the ordinary course of business of the Issuer and/or the Guarantors.

“**Super Senior Creditors**” means the finance parties under the Super Senior Finance Documents.

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.5 (*Early redemption option due to a tax event*).

“**Temporary Chartered Vessel**” means a fully operational vessel chartered or assumed on bareboat by the Group from an external party prior to a purchase of a New Vessel.

“**Total Assets**” means the aggregate amount which in accordance with the applicable accounting standards would be shown in the Issuer’s Financial Reports as the total assets.

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bonds and (ii) the listing of the Bonds in accordance with Clause 4 (*Admission to listing*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Issuer’s obligations under any of the Finance Documents.

“**Vessels**” means:

- (a) “WIND”, the offshore jack-up wind turbine O&M vessel with IMO no. 9107851;
- (b) “WIND SERVER”, the offshore jack-up wind turbine O&M vessel with IMO no. 9670793;
- (c) “WIND PIONEER”, the offshore jack-up wind turbine O&M vessel with IMO no. 8660222; and
- (d) Any New Vessel.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds and a Voting Bond shall mean any single one of those Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;

- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of up to EUR 25,000,000.
- (b) The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (c) The Initial Nominal Amount of each Bond is EUR 1.
- (d) The ISIN of the Bonds is NO 0010832512. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the net proceeds from the Bond Issue for:

- (a) refinancing of the Existing Bond, including redemption costs;
- (b) partial repayment of the Co-investor Loan;

- (c) financing the purchase of BWC's shares in Jack-Up InvestCo 3;
- (d) payment of Transaction Costs; and
- (e) general corporate purposes of the Group.

2.4 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other senior debt obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent within the times agreed in Clause 6 (*Conditions for disbursement*):
 - (i) the Escrow Account Pledge;
 - (ii) the Retention Account Pledge;
 - (iii) the Share Pledges;
 - (iv) the Assignments of Insurances;
 - (v) the Pledge of Intercompany Loans;
 - (vi) the Mortgages;
 - (vii) the Siemens Gamesa Contract Assignment; and
 - (viii) the Guarantees.
- (b) The Transaction Security shall be expanded to include the Additional Security following a "Tap Issue" pursuant to and as defined under the bond terms of the First Lien Bonds, in accordance with Clause 13.17 (*Additional Security*).
- (c) The Security (other than the Escrow Account Pledge) shall be shared between the Trustee (on behalf of the Bondholders) and the Super Senior Creditors in accordance with the terms of the Intercreditor Agreement. Nordic Trustee A/S will act as security agent on behalf of all of the Secured Creditors, both in respect of this Security and any additional security.
- (d) The Intercreditor Agreement includes waterfall provisions where after, with respect to any proceeds from assets under the shared Security including the proceeds upon enforcement (including distressed disposals) of the shared Security, i) the payment obligations under the Super Senior Finance Documents shall rank above the payment obligations under the finance documents for the First Lien Bond (as defined in the bond terms for the First Lien Bonds), while ii) the payment obligations in respect of

the Bonds under the Finance Documents shall rank below the payment obligations under the Super Senior Finance Documents and finance documents for the First Lien Bond.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

- (a) The Issuer shall procure that the Bonds, including any Additional Bonds:

- (i) are listed at the corporate bond list on Oslo Stock Exchange no later than 60 calendar days after the Issue Date (and in case of any Additional Bonds, the Tap Issue Date), and use its best endeavours to complete such listing within 30 calendar days after the Issue Date (and in case of any Additional Bonds, the Tap Issue Date); and
 - (ii) are listed at the Frankfurt Open Market as soon as reasonably possible after the Issue Date (and in case of any Additional Bonds, the Tap Issue Date).
- (b) The Issuer shall take all measures required to ensure that the Bonds, once listed on the Exchanges, continue being listed on the Exchanges for as long as any Bond is outstanding (however, taking into account the rules and regulations of these markets and the Paying Agent (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the Bond Issue to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) the Intercreditor Agreement duly executed by all parties thereto;
 - (iii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iv) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents

to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;

- (v) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (vi) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vii) the Bond Trustee Fee Agreement duly executed by the parties thereto;
 - (viii) The Security Agent Fee Agreement duly executed by the parties thereto; and
 - (ix) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The net proceeds from the Bond Issue (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Schedule 2;
 - (ii) unless delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions of each Obligor required to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor; and
 - (C) copies of each Obligor's articles of association and of a full extract from the relevant company register in respect of each Obligor evidencing that the Obligors are validly existing
 - (iii) the relevant Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security set out in Clause 2.5 paragraph (a) (and any insurance covering such Transaction Security);

- (iv) copies of any Intercompany Loan Agreements, together with the Intercompany Loans Subordination Undertaking;
 - (v) evidence that the Conditions Precedent for Disbursement of the First Lien Bond are all met and that disbursement of the First Lien Bonds will occur simultaneous to disbursement of the net proceeds from the Bonds.
 - (vi) evidence of discharge and release of all security and guarantees granted as security for the Issuer's obligations under the Existing Bond in connection with the full repayment and redemption of the Existing Bond; and
 - (vii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under this Clause 6.1 (Conditions precedent for disbursement to the Issuer) paragraph (a) as pre-settlement conditions precedent).
- (c) The Bond Trustee, acting in its reasonable discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation, or decide in its discretion that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Distribution

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 above.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Bond Terms and any other Finance

Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

Unless provided for in the Legal Reservations, these Bond Terms and each other Finance Document to which an Obligor is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (i) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (ii) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (i) to enable it to enter into, exercise its rights and comply with its obligations under this Bond Terms or any other Finance Document to which it is a party; and
- (ii) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4.

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have

been made once the amount has been credited to the bank account nominated by the Bondholder in question.

- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional three (3) per cent. per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:

- (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest will accrue on the Nominal Amount of any Additional Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Additional Bonds (or, if the date of the issuance is not an Interest Payment Date and there is no Interest Payment Date prior to such date of issuance, starting with the Interest Period commencing on the Issue Date).
- (c) 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). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest – issuance of PIK Bonds

- (a) Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.
- (b) The interest due on each Interest Payment Date shall be payable by issuance of PIK Bonds to the Bondholders for the calculated amount, to be settled in VPS. The PIK Bonds will carry interest from the forthcoming Interest Period.
- (c) The interest due on each Repayment Date on the Bonds to be redeemed shall be payable in cash.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds (including PIK Bonds) will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all but not only some of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in October 2020 at a price equal to 103.00 per cent. of the Outstanding Nominal Amount;
 - (iii) the Interest Payment Date in October 2020 to, but not including, the Interest Payment Date in April 2021 at a price equal to 102.00 per cent. of the Outstanding Nominal Amount;
 - (iv) the Interest Payment Date in April 2021 to, but not including, the Interest Payment Date in July 2021 at a price equal to 101.00 per cent. of the Outstanding Nominal Amount; and
 - (v) the Interest Payment Date in July 2021 to, but not including, the Maturity Date at a price equal to 100.50 per cent. of the Outstanding Nominal Amount.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10), but not more than twenty (20), Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall publish the Make Whole Amount to the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.

10.3 Voluntary early redemption – Equity Clawback

- (a) The Issuer may at one occasion, in connection with an Equity Listing Event, redeem the Outstanding Bonds (the “**Equity Clawback**”), at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable on the date of the Equity Clawback Repayment Date (however if such date falls before or until the First Call Date at 103.00 per cent) on the redeemed Bonds.
- (b) The Equity Clawback may solely be carried out in an aggregate amount not exceeding the net cash proceeds received by the Issuer as a result of the relevant Equity Listing Event.
- (c) The settlement date for the Equity Clawback (the “**Equity Clawback Repayment Date**”) shall occur on an Interest Payment Date within 180 days after the relevant Equity Listing Event.

10.4 Mandatory repurchase due to a Put Option Event – Optional Call

- (a) Upon the occurrence of a Change of Control Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 60 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Change of Control Event has occurred pursuant to Clause 12.3 (c) (the “**Exercise Period**”). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the twentieth (20th) Business Day after the end of the Exercise Period. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) The Issuer have a right of redemption of all Outstanding Bonds at a price equal to 104 per cent. of the Nominal Amount during the Exercise Period (the “**Optional Call**”). The Call Option must be exercised by notice to the Bond Trustee and the Bondholders. Such notice is irrevocable and shall specify the Call Option Repayment Date, which is to occur within twenty (20) Business Days after the end of the Exercise Period. However, the settlement of the Optional Call will be based on each Bondholders holding of Bonds at the applicable Call Option Repayment Date.

10.5 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.6 Mandatory prepayment – Mandatory Prepayment Event

- (a) Upon the occurrence of a Mandatory Prepayment Event, the Issuer shall redeem (the “Mandatory Prepayment”):
- (i) Upon the occurrence of an event as listed in paragraphs (a) to (c) of the definition of “Mandatory Prepayment Event”; 100 per cent of the Outstanding Bonds at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable on the date of the occurrence of the relevant Mandatory Prepayment Event;
 - (ii) Upon the occurrence of an event as listed in paragraph (d) of the definition of “Mandatory Prepayment Event”; 100 per cent of the Outstanding Bonds at 100 per cent of the Nominal Amount for each redeemed Bond;
 - (iii) Upon the occurrence of an event as listed in paragraphs (e) to (h) of the definition of “Mandatory Prepayment Event”; a portion of the Outstanding Bonds shall be redeemed at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable on the date of the occurrence of the relevant Mandatory Prepayment Event (however if such event falls before or until the First Call Date at 103.00 per cent) by applying all net proceeds retrieved from the relevant Mandatory Prepayment Event which remains after full redemption of the First Lien Bonds.
- (b) The Mandatory Prepayment shall be carried out as soon as possible upon the Issuer’s receipt of proceeds from the relevant Mandatory Prepayment Event (including insurance proceeds upon actual or constructive loss), however no later than 180 days after the relevant Mandatory Prepayment Event occurred.
- (c) If Bonds are redeemed according to this Clause 10.5 (*Mandatory prepayment – Mandatory Prepayment Event*), the entire amount on the Escrow Account and the Retention Account, together with any amounts received as damages payments under any insurance proceeds may be applied to prepay the Bonds.
- (d) Any Mandatory Prepayment made pursuant to subsection (iii) of Clause 10.5 (a) will be used for redemption of Outstanding Bonds in accordance with the applicable regulations of the CSD.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold (but not cancelled except in connection with a full redemption of the Outstanding Bonds) in the Issuer's sole discretion.

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Interim Accounts pursuant to Clause 12.1 (b) (*Financial Reports*), a Compliance Certificate with a copy of the Interim Accounts attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Interim Accounts are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.16 (*Financial Covenants and Incurrence Test*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied.
- (c) When the Bonds have been listed on the Oslo Stock Exchange, the reports referred to under 12.1 above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Oslo Stock Exchange (as amended from time to time).

12.3 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) starting from the first anniversary of the Issue Date, prepare and make available to the Bond Trustee a Cash Report no later than twenty (20) Business Days before the second Interest Payment Date following after the relevant Liquidity Testing Date;
- (c) promptly notify the Bond Trustee when the Issuer is or becomes aware of (i) the occurrence of a Change of Control Event, (ii) an Equity Listing Event or (iii) an Equity Clawback, and shall provide the Bond Trustee with such further information as the Bond Trustee may request (acting reasonably) following receipt of such notice;
- (d) keep the latest version of the Bond Terms available on the website of the Group;
- (e) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (f) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (g) send a copy to the Bond Trustee of its notices to the Exchanges;
- (h) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (i) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (j) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time if a failure to do so would have Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date if such change would have a Material Adverse Effect.

13.4 Mergers and de-mergers

(a) Except as permitted under paragraph (b) below, the Issuer shall not, and shall procure that no other Group Company will, carry out:

- (i) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (ii) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Group Company;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

(b) Paragraph (a) above does not apply to any Permitted Group Reorganisation.

13.5 Financial Indebtedness

(a) Except as permitted under paragraph (b) below, the Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness.

(b) Paragraph (a) above shall not prohibit any Group Company to incur, maintain or prolong any Permitted Debt.

13.6 Negative pledge

(a) Except as permitted under paragraph (b) below, the Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future).

(b) Paragraph (a) above does not apply to (i) any Permitted Security or (ii) any existing security in relation to indebtedness held by an entity acquired by a Group Company however so that such security may not be prolonged or renewed.

13.7 Financial support

(a) Except as permitted under paragraph (b) below, the Issuer shall not, and shall procure that no other Group Company will, be a creditor in respect of any Financial Support to or for the benefit of any person (including other Group Companies).

- (b) Paragraph (a) above does not apply to Financial Support granted (i) in connection with Permitted Debt or (ii) to New Vessel SPVs as permitted under Clause 13.13 (*Capex restriction*).

13.8 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Obligor will, conduct all business transactions with any Affiliate (excluding other Group Companies) on an arm's length basis.

13.9 Distributions

- (a) The Issuer shall not (unless replaced by Subordinated Capital in an equivalent amount), and shall procure that no other Group Company will:
 - (i) pay any dividend on its shares (other than loans, dividends and group contributions to the Issuer or another Group Company);
 - (ii) repurchase any of its own shares;
 - (iii) redeem its share capital or other restricted equity with repayment to shareholders;
 - (iv) grant any loans (other than to the Issuer or a wholly-owned Subsidiary of the Issuer);
 - (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a Subsidiary of the Issuer); or
 - (vi) repay the Co-Investor Loan in parts or full, however this shall not prohibit the initial repayment of EUR 17,000,000 and payment of CIBOR plus two (2) per cent. annual cash interest on the Co-Investor Loan.
- (b) Notwithstanding paragraph (a) of this Clause 13.9 (*Distributions*), a Restricted Payment may be made by the Issuer, if at the time of the payment:
 - (i) the Incurrence Test is fulfilled (calculated on a proforma basis including the relevant Restricted Payment);
 - (ii) the Equity Claw Back has been utilized in full;
 - (iii) an Equity Listing Event has occurred; and
 - (iv) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed 25 per cent of the Group's consolidated net profit for the previous fiscal year.

13.10 Clean down period – Senior Working Capital Facility

The Issuer shall procure that during each calendar year (commencing in 2018) there shall be a period of five (5) consecutive days during which the amount outstanding under the Super Senior Working Capital Facility, less cash and cash equivalents of the Group, amounts to zero (0) or less, and not less than six (6) months shall elapse between two such periods.

13.11 Vessel covenants

- (a) The Issuer shall, and shall procure that each other Group Company will (as applicable), have each Vessel classified and maintained in a class notation acceptable to the Bond Trustee (acting reasonably) with a reputable classification society.
- (b) The Issuer shall, and shall procure that each other Group Company will (as applicable), maintain the registration of each Vessel in its name with a reputable ship registry (which shall include the Danish International Ship Register) or such other flag as consented to in writing by the Bond Trustee.
- (c) The Issuer shall, and shall procure that each other Group Company will (as applicable), procure that each Vessel is kept in good and safe condition and state of repair consistent with prudent ownership and industry standard.
- (d) The Issuer shall, and shall procure that each other Group Company will (as applicable), does not effect a sale or transfer of any Vessel without redemption of the Outstanding Bonds as provided for in Clause 10.5 (Mandatory Prepayment) (however this shall not prohibit a Permitted Group Reorganisation).
- (e) The Issuer shall, and shall procure that each other Group Company will (as applicable), at all times comply in all material respects with any mandatory applicable national or international law, regulation, convention or treaty in a jurisdiction which an Obligor conducts business or any of Vessels will be operating.

13.12 Maintenance and insurances

- (a) The Issuer shall at all times provide for reasonable and satisfactory maintenance of insurances of the Vessels and all relevant equipment related thereto.
- (b) The Issuer shall procure that the Vessels are adequately insured against risks related to hull & machinery, war risk and hull & freight interest at least to the full value of Vessels and at least 120 per cent of the outstanding amount under the Finance Documents, and a third party liability insurance as per industry standards, as well as mortgagee interest insurance and loss of hire and any additional insurance required under any law or charter contracts.
- (c) The insurances and loss payable clause shall be in accordance with the Norwegian Marine Insurance Plan or other insurances with no less favourable terms.

13.13 Capex restriction

The Issuer shall not (and procure that no other Group Company or New Vessel SPV) make or commit to enter into any new build contract for a new vessel or purchases or otherwise

acquires a New Vessel unless (a) such capital expenditures are limited to EUR 2,000,000 per annum from the Issue Date to the Maturity Date or (b) all of the following conditions are met:

- (i) Any Financial Indebtedness raised for purchase of a New Vessel is limited to Financial Indebtedness as defined under clause (j) under the definition of Permitted Debt;
- (ii) Security for the New Vessel is granted as stipulated under subsection (ii) of Clause 2.5 paragraph (a);
- (iii) A minimum of 40 per cent. of the purchase price for such New Vessel is financed with new Equity or additional Subordinated Loans (not being the Co-Investor Loan);
- (iv) A minimum Capacity Utilisation for the Vessels of 70 per cent. has been obtained during the most recent Reference Period;
- (v) Funding from the Issuer is limited to EUR 45,000,000; and
- (vi) The Incurrence Test is met on a pro forma basis excluding any Cash Equivalent Investments injected by the Issuer or any Subsidiary (not being the New Vessel SPV); or
- (vii) any construction project relating to a New Vessel or any purchase or otherwise acquisition of a New Vessel that is conducted by a New Vessel SPV on a non-recourse basis (i.e. no guarantees extended or security granted from any part of the Group, including the Issuer) and fully funded by capital raised in an Equity Capital Raising; or
- (viii) is acquired as a Temporary Chartered Vessel, provided that no New Vessel has been purchased or otherwise acquired as set out in paragraphs (i) to (vi) above (for the avoidance of doubt; such Temporary Chartered Vessel may be subsequently acquired).

13.14 Liquidity Investments

The Issuer shall ensure that the Group's freely available cash is not invested in instruments not qualifying as Cash Equivalent Investments, however this shall not restrict the use of cash for business purposes or according to the provisions of these Bond Terms.

13.15 Financial Covenants and Incurrence Test

- (a) *Maintenance test (on Subordinated Capital Ratio)*

The Issuer shall at all times maintain a Subordinated Capital Ratio of minimum 30.0 per cent. in the first twelve (12) months from the Issue Date, to increase by 2.5 percentage points each subsequent year, to be tested quarterly on the basis of the Interim Report for such period and reported by delivery of a Compliance Certificate to the Bond Trustee no later than 60 days following the last day of the relevant financial quarter.

(b) *Incurrence Test*

The Incurrence Test is met if:

- (i) the ratio of Net Interest Bearing Debt to EBITDA is not greater than:
 - (A) 5.00 from the Issue Date until 31 December 2018;
 - (B) 4.50 from 1 January 2019 until 31 December 2019;
 - (C) 4.00 from 1 January 2020 until the Maturity Date;
- (ii) the Subordinated Capital Ratio exceeds 30.0 per cent. (to increase by 2.5 percentage points annually, the first increase to occur twelve (12) months after the Issue Date) on a *pro forma* basis; and
- (iii) no Event of Default is continuing or would occur upon the incurrence.

(c) *Testing*

The calculation of the ratio of Net Interest Bearing Debt to EBITDA and Subordinated Capital Ratio shall be made as per a testing date determined by the Issuer, falling no more than two (2) months prior to the incurrence of the new Financial Indebtedness or making of a Restricted Payment.

The Net Interest Bearing Debt and Subordinated Capital Ratio shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA and Total Assets shall be calculated as set out below.

The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report, and the figures for Total Assets and Subordinated Capital on the Reference Date, shall be used for the Incurrence Test, but adjusted so that:

- (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, in the EBITDA for the entire Reference Period;
- (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, in the EBITDA for the entire Reference Period, and shall be included in the calculation of Total Assets;
- (iii) any entities acquired or disposed of by the Group after the Reference Date but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, in the calculation of Total Assets;

- (iv) any Subordinated Capital acquired by the Group after the Reference Date but before the relevant testing date, or to be acquired in connection with the New Financial Indebtedness, shall be included pro forma in the calculation of the Subordinated Capital Ratio;
- (v) in the calculation of the Net Interest Bearing Debt and Subordinated Capital Ratio, the purchase price under any call-option to purchase a Temporary Chartered Vessel shall be excluded. In respect of any put-option to purchase a Temporary Chartered Vessel the purchase price shall be included less any amount that the Issuer is entitled to settle in shares, and be substituted with the payment amount under any walk-away option available for the Issuer with respect to any balance calculation in respect of a Temporary Chartered Vessel.

13.16 Permitted Group Reorganisation

- (a) The Issuer is entitled to implement a Permitted Group Reorganisation, and the Bond Trustee shall cooperate in this respect by releasing Security Documents as provided for below.
- (b) The Issuer shall, at latest at the completion of a Permitted Group Reorganisation, execute new Finance Documents for the proper replacement of the Mortgages and Assignments of Insurances provided by the Obligors that are to be dissolved as part of such reorganisation, upon which the original documents pertaining thereto shall be released by the Security Agent as instructed by the Bond Trustee. A Permitted Group Reorganisation cannot be completed prior to the Trustee having received legal opinions satisfactory to the Bond Trustee with respect to the legality, validity and enforceability of the new Finance Documents provided.
- (c) The Guarantees and the Share Pledges relating to such Obligors shall be cancelled.

13.17 Additional Security

The Issuer shall ensure that the Additional Security is granted in favour of the Security Agent on behalf of the Bondholders simultaneously as the same is granted in favour of the Security Agent on behalf of the bondholders under the First Lien Bonds.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

- (a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or

- (ii) in the discretion of the Bond Trustee, the Obligor has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within twenty (20) Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 1,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or

- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
 - (E) for (A) – (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within twenty (20) Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee,

provided however that until the First Call Date the applicable premium shall be 103% of the Outstanding Amount.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 20 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for:
 - (i) any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii); and
 - (ii) a change of the listing of the Bonds to another exchange(s) located in the EEA, which (for the avoidance of doubt) may be resolved by simple majority of the Voting Bonds,

a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in

accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).

- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes

will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten (10) Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exemption that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders'

Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), such Voting Period to be at least three (3) Business Days but not more than fifteen (15) Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution

summoned pursuant to Clause 15.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons.

- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) 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 these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.
- (c) The Bond Trustee is appointed as agent and representative (in Danish: *fuldmægtig og repræsentant*) for the Bondholders pursuant to Chapter 4 of the Danish Capital Markets Act (in Danish: *kapitalmarkedsløven*) (as amended, supplemented and/or replaced from time to time) under and in connection with the Bonds.

16.2 The duties and authority of the Bond Trustee

- (a) 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.

- (b) 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 these 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 these Bond Terms.
- (c) 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.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) 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 these Bond Terms, any other Finance Document, or any applicable law.
- (g) 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.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) 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.

- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

16.3 Equality and conflicts of interest

- (a) 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.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders 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 or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (b) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (c) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond

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. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.

- (d) The Issuer shall on demand by the Bond Trustee pay all costs incurred 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 Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (e) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligor, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (f) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents. The Security Agent has on the date hereof been appointed pursuant to the Intercreditor Agreement and replacement hereof, including in case of insolvency, shall follow the provisions of the Intercreditor Agreement.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the

Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (c) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (d) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and

- (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

-----000-----

These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer:

ZITON A/S

.....

By:

Position:

As Bond Trustee:

NORDIC TRUSTE AS

.....

By:

Position:

As Security Agent:

NORDIC TRUSTEE A/S

.....

By:

Position:

**SCHEDULE 1
COMPLIANCE CERTIFICATE**

[date]

**Ziton A/S FRN second secured EUR 25,000,000 callable PIK bonds 2018/2022 ISIN NO
0010832512**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Statements to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Statements] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.15 (*Financial Covenants and Incurrence Test*) are met, please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

NX

Name of authorised person

Enclosure: Financial Statements; [and any other written documentation]

SCHEDULE 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

**Ziton A/S FRN second secured EUR 25,000,000 callable PIK bonds 2018/2022 ISIN NO
0010832512**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]