

# Securities Note

Borregaard ASA FRN senior unsecured bonds  
2018/2023

NO0010825243



Arrangers:



**Handelsbanken**

**SEB**

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Important notice

The Securities Note has been prepared in connection with the listing of the Bonds on Oslo Børs. The Securities Note has been reviewed and approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (*Finanstilsynet*) in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Registration Document was approved by the Norwegian FSA 4<sup>th</sup> September 2018 and is still valid as of the date of this Securities Note. This Securities Note together with the Registration Document constitutes the Prospectus. The Prospectus is valid for a period of up to 12 months following its approval by the Norwegian FSA on 4<sup>th</sup> September 2018. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in the Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined checklist of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by the Prospectus. New information that is significant for the Issuer may be disclosed after the Securities Note has been made public, but prior to listing of the securities. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. Under no circumstances must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

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

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

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

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

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

Contact the Issuer to receive copies of the Securities Note.

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

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

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

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## 1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds.

Please refer to the Registration Document dated 04.09.2018 for a listing of company specific risk factors.

General risks related to investments in interest bearing securities

*Liquidity risk* is the risk that a party interested in trading the Bonds cannot do so because no one in the market wants to trade the Bonds. Illiquidity may result in the Bondholder incurring a loss.

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

*Credit risk* is the risk that the Issuer fails to make the required payments under the Bonds (either principal or interest). The Issuer's ability to make scheduled payments on or to refinance its obligations under, the Bonds will depend upon the Issuer's financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond the Issuer's control.

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

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

## 2. Persons responsible

Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:

Borregaard ASA, Hjalmar Wessels vei 6, PO Box 162, 1701 Sarpsborg, Norway.

Declaration by persons responsible

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

04.09.2018

Borregaard ASA

### 3. Information concerning the securities

ISIN:	NO0010825243.
The Bonds:	Borregaard ASA FRN senior unsecured bonds 2018/2023.
Security Type:	Senior unsecured bonds with floating rate.
Issuer:	Borregaard ASA, a company existing under the laws of Norway with registration number 998 753 562 and LEI-code 5967007LIEEXZXGYXC05.
Guarantor:	Borregaard AS, a company existing under the laws of Norway with registration number 895 623 032 and LEI-code 493007KUCQRPX10K761, and a wholly owned Subsidiary of the Issuer.
Guarantee:	Means the guarantee and indemnity granted pursuant to the Bond Terms Clause 9 ( <i>Guarantee</i> ) and any other guarantee given by a Guarantor in relation to the Finance Documents.
Maximum Issue Amount:	NOK 600 000 000
Initial Bond Issue:	NOK 400 000 000
Initial Nominal Amount of each Bond:	NOK 1 000 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the CSD.
Issue Date:	20 June 2018.
Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	20 June 2023, adjusted according to the Business Day Convention.
Interest Rate:	Means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin. In each case, if any such rate is below zero, the Interest Rate will be deemed to be zero.
Margin:	0.77 per cent per annum.
Current Rate:	1,78%.
Reference Rate:	Shall mean: (a) NIBOR (Norwegian Interbank Offered Rate) being; the

interest rate fixed for a period comparable to the relevant **Interest Period on Oslo Børs' webpage at approximately 12.15 (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday),** the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Day shall be used;

- (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.

**Interest Payment Date:** Means the last day of each Interest Period, the first Interest Payment Date being 20 September 2018 and the last Interest Payment Date being the Maturity Date.

**Interest Period:** Subject to adjustment in accordance with the Business Day Convention, the period between 20 March, 20 June, 20 September and 20 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**Interest Quotation Day:** 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.

**Interest:** 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.

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).

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.

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.

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 ( <i>Modified Following</i> ).
Payment Date:	Means any Interest Payment Date or any Repayment Date.
Issue Price:	100% of par value.
Yield:	Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). If the price has increased, the yield for the purchaser in the secondary market will be lower than the Interest Rate of the Bonds and vice versa. If the Bonds are bought and sold at par value the yield will be the same as the Interest Rate.
Business Day:	Means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.
Redemption of Bonds:	The Outstanding 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.
Mandatory repurchase due to a Put Option Event:	<p>(a) Upon the occurrence of a Put Option Event, each <b>Bondholder will have the right (the "Put Option")</b> 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.</p> <p>(b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to the Bond Terms Clause 13.3 (<i>Put Option Event</i>). <b>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.</b></p> <p>(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</p>

Option Repayment Date will be the fifth Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Redemption Date.

- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to the Bond Terms Clause 11.2 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15<sup>th</sup> calendar day following the date of such notice.

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 the Bond Terms Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of the 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.

Repayment Date:

Means the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

Put Option Event:

Means a De-Listing Event or a Change of Control Event.

De-Listing Event:

Means if the Issuer ceases to be publicly listed company on the Exchange.

Change of Control Event:

Means if:

- (a) any person or group of persons acting in concert gains **control of more than 50 per cent. of the Issuer's share capital or voting rights**; or
- (b) the Issuer ceases to own one hundred per cent. of the shares in the Guarantor,

where (i) acting in concert means acting together pursuant to an agreement of understanding (whether formal or informal) and (ii) control means having the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

Redemption:

Matured interest and matured principal will be credited to each Bondholder directly from the CSD. Claims for interest and

	principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
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 obligations of the Issuer and the Guarantor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application.
Transaction Security:	The Bonds are unsecured.
Information undertakings:	For information regarding information undertakings, please see the Bond Terms Clause 13.
General undertakings:	Information regarding general undertakings, please see the Bond Terms Clause 14.
Events of default and acceleration of the Bonds:	Information regarding Events of default and acceleration of the Bonds, please see the Bond Terms Clause 15.
Use of proceeds:	The Issuer will use the net proceeds from the issuance of the Initial Bond Issue and any Additional Bonds for general corporate purposes.
Approvals:	The <b>Bonds have been issued in accordance with the Issuer's</b> board approval dated 25 April 2018.
Listing:	An application for listing will be sent to Oslo Børs. Listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.
Bond Terms:	<p>The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the <b>Bondholder's rights and obligations in</b> relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>When Bonds are subscribed / purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>Information regarding <b>Bondholders' meeting and the Bondholder's right to vote are described in the</b> Bond Terms Clause 16.</p> <p>For information regarding the role of the Bond Trustee, see Bond Terms Clause 17.</p> <p>The Bond Terms is attached to this Securities Note.</p>
Documentation:	Registration Document, Securities Note and the Bond Terms.

Availability of the  
Documentation:

[www.borregaard.no](http://www.borregaard.no)

Bond Trustee:

Nordic Trustee AS, P.O. Box 1470 Vikta, 0116 Oslo, Norway.

Calculation Agent:

Nordic Trustee AS, P.O. Box 1470 Vikta, 0116 Oslo, Norway.

Arrangers:

DNB Bank ASA, DNB Markets, Dronning Eufemias gt. 30, 0191 Oslo, Norway,  
Handelsbanken Capital Markets, Tjuvholmen Allé 11, 0110 Oslo, Norway, and;  
SEB, Filipstad Brygge 1. 0252 Oslo, Norway.

Paying Agent:

DNB Bank ASA, Verdipapirservice, P.O. Box 1600 Sentrum, 0191 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.

Listing Agent:

NT Services AS, P.O. Box 1470 Vikta, Norway.

Central Securities Depository (CSD):

The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS), P.O. Box 1174 Sentrum, 0107 Oslo, Norway.

Market-Making:

There is no market-making agreement entered into in connection with the Bonds.

Governing law and jurisdiction:

The Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions. For more information, please see the Bond Terms Clause 20.

Relevant Jurisdiction:

Means the country in which the Bonds are issued, being Norway.

Fees and Expenses:

The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Bonds or the Security Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the Bondholders at source any applicable withholding tax payable pursuant to law. At present, there is no withholding tax on bonds in Norway.

Fees:

Total expenses related to the admission to trading of NO0010825243 is:  
Prospectus fee: NOK 76 000  
Listing fee 2018 (Oslo Børs): NOK 8 740  
Registration fee (Oslo Børs): NOK 11 800  
Listing Agent: NOK 120 000

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

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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.

## 4. Definitions

Due to the extensive number of definitions, and unless otherwise defined in this Securities Note, capitalized terms used in this Securities Note shall have the meaning given to such terms in Clause 1.1 "*Definitions*" in the Bond Terms (attached as Appendix 1 to this Securities Note).

"Bond Terms" means the Bond Terms dated 18<sup>th</sup> June 2018.

"Norwegian FSA" means the **Financial Supervisory Authority of Norway** (*Nw: Finanstilsynet*).

"Prospectus" means the Registration Document and Securities Note together.

"Registration Document" means the Issuers Registration Document dated 4<sup>th</sup> September 2018.

"Securities Note" means this document dated 4<sup>th</sup> September 2018.

## 5. Additional information

Neither the Issuer nor the Bonds have been rated.

Borregaard ASA is not aware that there is any interest, nor conflicting interests that is material to the issue.

Borregaard ASA has mandated DNB Bank ASA, DNB Markets, Handelsbanken and SEB as Arrangers of the Bonds. The Arrangers have acted as advisors and managers to Borregaard ASA in relation to the transaction. The Arrangers and/or any of its affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments.

### Statement from the Listing Agent:

NT Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

## **6. Appendix:**

- Bond Terms

**BOND TERMS**

**FOR**

**Borregaard ASA FRN senior unsecured bonds 2018/2023**

**ISIN NO0010825243**

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Schedule 1 COMPLIANCE CERTIFICATE

Schedule 2 MATERIAL SUBSIDIARIES

<b>BOND TERMS between</b>	
<b>ISSUER:</b>	Borregaard ASA, a company existing under the laws of Norway with registration number 998 753 562 and LEI-code 5967007LIEEXZXGYXC05; and
<b>BOND TRUSTEE:</b>	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
<b>DATED:</b>	18 June 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 Bonds**” means Bonds issued under a Tap Issue.

“**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 unconsolidated and 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.

“**Bond Terms**” means these terms and conditions, including all Schedules 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.

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“**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*).

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

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

“**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*).

“**Change of Control Event**” means if:

- (a) any person or group of persons acting in concert gains control of more than 50 per cent. of the Issuer’s share capital or voting rights; or
- (b) the Issuer ceases to own one hundred per cent. of the shares in the Guarantor,

where (i) acting in concert means acting together pursuant to an agreement of understanding (whether formal or informal) and (ii) control means having the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

“**Companies Act**” means the Limited Liabilities Companies Act of 1997 no. 44 and/or the Public Limited Liabilities Companies Act of 1997 no. 45 of the Relevant Jurisdiction.

“**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 Schedule 1 hereto.

“**Consolidated EBITDA**” means, in relation to any relevant period, the consolidated earnings of the Group before any of the following items (and without double counting):

- (a) **before deducting** any corporation tax or other tax on income or gains;
- (b) **before** any financial items;
- (c) **excluding** any non-cash profit and loss effects of purchase price adjustments related to any future business combination;
- (d) **before deducting** all amortization;

- (e) **before deducting** all depreciation; and
- (f) **before deducting** any impairment charges.

“**De-Listing Event**” means if the Issuer ceases to be publicly listed company on the Exchange.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” means a written notice to the Issuer as described in Clause 15.2 (*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.

“**Event of Default**” means any of the events or circumstances specified in Clause 15.1 (*Events of Default*).

“**Exchange**” means Oslo Børs (the Oslo Stock Exchange).

“**FA Act**” means the Financial Contracts and Financial Assignments Act of 1999 no. 46.

“**Finance Documents**” means these Bond Terms, the Bond Trustee Fee Agreement, the Guarantee 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 (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);

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- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

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

“**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.

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

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

“**Guarantee**” means the guarantee and indemnity granted pursuant to Clause 9 (*Guarantee*) and any other guarantee given by a Guarantor in relation to the Finance Documents.

“**Guaranteed Obligations**” means all present and future obligations and liabilities of the Issuer under the Finance Documents.

“**Guarantor**” means Borregaard AS, a company existing under the laws of Norway with registration number 895 623 032 and LEI-code 493007KUCQRPX10K761, and a wholly owned Subsidiary of the Issuer.

“**Initial Bond Issue**” means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

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**“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 centre of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

**“Interest Payment Date”** means the last day of each Interest Period, the first Interest Payment Date being 20 September 2018 and the last Interest Payment Date being the Maturity Date.

**“Interest Period”** means, subject to adjustment in accordance with the Business Day Convention, the period between 20 March, 20 June, 20 September and 20 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**“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.

**“Interest Rate”** means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin. In each case, if any such rate is below zero, the Interest Rate will be deemed to be zero.

**“Interim Accounts”** means the unaudited unconsolidated and 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.

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

**“Issue Date”** means 20 June 2018.

**“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.

**“Joint Venture”** means any joint venture between any member of the Group and a third party or parties, whether through a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity (in each case with no recourse to any member of the Group).

**“Managers”** means DNB Bank ASA, DNB Markets, Handelsbanken and Skandinaviska Enskilda Banken AB (publ) Oslofilialen.

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“**Margin**” means 0.77 per cent.

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

- (a) the business, financial condition or operations of the Obligors or the Group (taken as a whole);
- (b) the ability of any Obligor to perform and comply with its obligations under any of the Finance Documents; or
- (c) the validity or enforceability of any of the Finance Documents.

“**Material Subsidiary**” means, subject to Clause 14.10 (*Material Subsidiaries*), at any time, a Subsidiary of the Issuer (other than the Guarantor):

- (a) which has gross assets representing five per cent. or more of the Total Consolidated Assets; or
- (b) which has earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA) representing five per cent. or more of the Consolidated EBITDA,

in each case determined by reference to the most recent Compliance Certificate supplied by the Issuer pursuant to Clause 13.2(a) and/or the latest audited annual financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated annual financial statements of the Group. However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated annual financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary. If there is a dispute as to whether or not a member of the Group is a Material Subsidiary according to the above, a certificate of the auditors of the Issuer will, in the absence of manifest error, be conclusive and binding on the Parties. The Material Subsidiaries of the Issuer at the date of these Bond Terms are listed in Schedule 2 (*Material Subsidiaries*) hereto.

“**Maturity Date**” means 20 June 2023, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Nominal Amount**” means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any) pursuant to Clause 11 (*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 the Guarantor.

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

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**“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 the legal entity 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 Security and Quasi-Security”** means:

- (a) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (b) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
  - (i) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
  - (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,
  - (iii) excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
- (c) any lien arising by operation of law and in the ordinary course of trading;
- (d) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the date of this Agreement if:
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
  - (iii) the Security or Quasi-Security is removed or discharged within six (6) months of the date of acquisition of such asset;
- (e) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group, if:

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- (iv) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
  - (v) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
  - (vi) the Security or Quasi-Security is removed or discharged within six (6) months of that company becoming a member of the Group;
- (f) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
  - (g) any Security or Quasi-Security arising in relation to any Joint Venture, which is not a Subsidiary, or any other stand-alone financings (in each case with no recourse to any member of the Group); and
  - (h) any Security or Quasi-Security securing indebtedness, the principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by any member of the Group other than as permitted under sub-paragraphs (a) to (g) above) does not exceed, in the aggregate, NOK 200 000 000 (or its currency equivalent).

**"Put Option"** shall have the meaning ascribed to such term in Clause 11.2 (*Mandatory repurchase due to a Put Option Event*).

**"Put Option Event"** means a De-Listing Event or a Change of Control Event.

**"Put Option Repayment Date"** means the settlement date for the Put Option pursuant to Clause 11.2 (*Mandatory repurchase due to a Put Option Event*).

**"Quasi-Security"** means:

- (a) to sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (b) to sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) to enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts;
- (d) to enter into any other preferential arrangement having a similar effect as stated in (a) to (c) above,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

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**“Reference Rate”** shall mean:

- (a) NIBOR (Norwegian Interbank Offered Rate) being; the interest rate fixed for a period comparable to the relevant Interest Period on Oslo Børs’ webpage at approximately 12.15 (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Day shall be used;
- (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.

**“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 the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

**“Schedule”** means each of the schedules to these Bond Terms.

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“**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 Period**” the period beginning on the date of these Bond Terms and ending on the date upon which the Guaranteed Obligations have been unconditionally and irrevocably paid and discharged in full.

“**Subsidiary**” means a subsidiary (No. “*datterselskap*”) within the meaning of Sections 1-3 of the Companies Act.

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

“**Tap Issue**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

“**Tap Issue Addendum**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 11.3 (*Early redemption option due to a tax event*).

“**Total Consolidated Assets**” the amount of the Group’s total consolidated assets as shown in the Issuer’s latest Financial Report.

“**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 16.5 (*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 12.1 (*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 maximum amount of NOK 600 000 000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of NOK 400 000 000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).
- (b) The Bonds are denominated in Norwegian Kroner (NOK), being the legal currency of Norway.
- (c) The Initial Nominal Amount of each Bond is NOK 1 000 000.
- (d) The ISIN of the Bonds is NO 0010825243. 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.

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### **2.3 Use of proceeds**

The Issuer will use the net proceeds from the issuance of the Initial Bond Issue and any Additional Bonds for general corporate purposes.

### **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 obligations of the Issuer and the Guarantor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

### **2.5 Transaction Security**

The Bonds are unsecured.

## **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**

The Issuer shall apply for the Bonds to be admitted to listing on the Exchange.

#### **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 issuance of the Bonds to the Issuer 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) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
  - (iii) a certified 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;
  - (iv) certified 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;

- (v) the Guarantee duly executed by the Guarantor, by countersignature to these Bond Terms;
  - (vi) certified copies of all necessary corporate resolutions of the Guarantor to execute the Finance Documents to which it is a party;
  - (vii) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Guarantor 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 Guarantor;
  - (viii) certified copies of the Guarantor's articles of association and of a full extract from the relevant company register in respect of the Guarantor evidencing that the Guarantor is validly existing;
  - (ix) copies of the Issuer's latest Financial Reports (if any);
  - (x) confirmation that the applicable prospectus requirements (ref the EU prospectus directive (2003/71 EC)) concerning the issuance of the Bonds have been fulfilled;
  - (xi) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
  - (xii) confirmation that the Bonds are registered in the CSD;
  - (xiii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
  - (xiv) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
  - (xv) 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 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 (b) of Clause 6.1 above.

## 6.3 Tap Issues

The Issuer may issue Additional Bonds if:

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- (a) the Bond Trustee has executed a Tap Issue Addendum.
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

## **7. REPRESENTATIONS AND WARRANTIES**

Each Obligor makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself 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) at the date of issuance of any Additional Bonds.

### **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**

These Bond Terms and each other Finance Document to which it 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**

- (a) 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.
- (b) 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

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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:

- (a) 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
- (b) 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.

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## **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;
  - (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any principal amount due but unpaid.

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- (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.

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**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. GUARANTEE**

**9.1 Guaranteed obligations**

(a) The Guarantor does hereby irrevocably and unconditionally guarantee as for its own debt in favour of the Bond Trustee (on behalf of the Bondholders) the due and punctual fulfilment of the Guaranteed Obligations. The obligations of the Guarantor under this Guarantee shall be joint and several with those of the Issuer under the Finance Documents and not be regarded as surety only.

(b) The obligations of the Guarantor hereunder shall be valid and enforceable, irrespective of the genuineness, validity, regularity or enforceability of the Finance Documents, provided that any lack of genuineness, validity, regularity or enforceability is due to (i) acts, omissions or misrepresentations of the Guarantor or the Issuer, or (ii) to any event that the Guarantor or the Issuer otherwise is responsible for in relation to the Finance Documents.

**9.2 Demand**

The Guarantor undertakes immediately on first written demand by the Bond Trustee from time to time to make payment in accordance with its obligations under Clause 9.1 (No. "påkravsgaranti"), subject, however, to the limitations set out in Clause 9.3 below. The Bond Trustee may serve more than one demand at its sole discretion. There is no limit on the number of claims that may be made by the Bond Trustee against the Guarantor under this Guarantee.

**9.3 Maximum liability**

The Guarantor's aggregate liability under this Guarantee shall never exceed the Maximum Issue Amount set out in Clause 2.1(a) above plus any unpaid amount of interest, fees, costs and expenses thereon as set out in the Finance Document.

**9.4 Waiver of rights under FA Act**

If, and to the extent, the FA Act is applicable to this Guarantee, the provisions of Sections 62-74 (both sections inclusive) of the FA Act shall not apply to this Guarantee.

**9.5 Continuing Guarantee**

The security constituted by this Guarantee shall be a continuing security and shall (subject to Clause 9.3 (*Maximum liability*)) extend to the ultimate balance of the Guaranteed Obligations and shall continue in force notwithstanding any intermediate payment or discharge in whole or in part of the Guaranteed Obligations and shall be effective until the Bond Trustee has confirmed in writing that the Guaranteed Obligations have been irrevocably discharged in full.

**9.6 Waiver from the Guarantor**

The Guarantor's liability to the Bond Trustee (on behalf of itself and the Bondholders) under this Guarantee is direct and independent of the contractual relationship between the other Obligors and the Bond Trustee (on behalf of itself and the Bondholders) under the Bond Term

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sand the other Finance Documents. The Guarantor specifically and explicitly waives any right to raise any defence (No. "innsigelse") under this Guarantee otherwise available to the Issuer under the Bond Terms, including;

- (a) any discussion or dispute between any Obligor and the Bond Trustee on the appropriateness or legality of any claim made by the Bond Trustee against any Obligor under these Bond Terms or any of the other Finance Documents;
- (b) any available right of set-off, counterclaim or other defence available to any Obligor under these Bond Terms or any of the other Finance Documents;
- (c) any other circumstance which might otherwise constitute a defence available to, or discharge of, the Issuer or any other Obligor based on and/or arising from these Bond Terms or any of the other Finance Documents, any underlying relationships, agreements and other transactions or circumstances whatsoever;
- (d) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Issuer;
- (e) any total or partial invalidity, irregularity, illegality, unenforceability, imperfection or avoidance of or any defect in any security granted by, or for the obligation of the Issuer, any Obligor or any other person under these Bond Terms and any other Finance Documents, or any other document or security;
- (f) any increase or reduction of the amounts made available under these Bond Terms, or any variation of the terms and conditions for their repayment (including without limitation, the rate of interest payable under these Bond Terms);
- (g) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against or security over assets of, any obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to release the full value of any security;
- (h) any corporate reorganisation, reconstruction, amalgamation, dissolution, merger, demerger, acquisition or any other alteration in the corporate existence or structure of any of the Issuer, any other Obligor, the Bond Trustee or any other person;
- (i) any incapacity or lack of power, authority or legal personality of or dissolution or change in the shareholders or status of the Issuer, any other Obligor, the Bond Trustee or any other person;
- (j) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of these Bond Terms or any other Finance Document or any other document, including, without limitation, any change in the purpose of, any extension of or increase in the amounts made available under these Bond Terms or any other document or security;

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- (k) any liquidation, bankruptcy, dissolution, insolvency or similar proceedings of any the Issuer, any other Obligor or any other person;
- (l) any appointment of a new bond trustee, security agent or other representative of the Bondholders, whether in addition to or as a replacement of Nordic Trustee AS or its successors;
- (m) any requirement that the Bond Trustee or any of the bondholders in case of an event of default first has to make demand upon or seek to enforce remedies against the Issuer;
  - (i) any right to exercise right of subrogation into the rights of the Bondholders under these Bond Terms, without the prior written consent of the Bond Trustee until the expiry of the Security Period; and
  - (ii) any right to claim reimbursement from the Issuer for payment made hereunder until the expiry of the Security Period.

#### **9.7 Enforcement**

The Bond Trustee shall not be obliged before taking steps to enforce the obligations of the Guarantor under this Guarantee:

- (a) to make any claim or obtain any judgement against the Issuer, any other Obligor or any third party in any court or other tribunal;
- (b) to make or file any claim in a bankruptcy or liquidation of the Issuer, any other Obligor or any third party; or
- (c) to take any other action whatsoever against the Issuer, any other Obligor or any third party under these Bond Terms or any of the other Finance Documents, except for the giving of notice of any payment due hereunder,

and the Guarantor hereby waives all such formalities or rights to which it would otherwise be entitled or which the Bond Trustee would otherwise first be required to satisfy or fulfil before proceeding or making any demand against the Guarantor hereunder.

#### **9.8 Release**

Upon the expiry of the Security Period, the Bond Trustee shall, at the request and cost of the Guarantor, release the Guarantor from its obligations under this Guarantee.

### **10. INTEREST**

#### **10.1 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

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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.

## **10.2 Payment of interest**

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.

## **11. REDEMPTION AND REPURCHASE OF BONDS**

### **11.1 Redemption of Bonds**

The Outstanding 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.

### **11.2 Mandatory repurchase due to a Put Option Event**

- (a) Upon the occurrence of a Put Option 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 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 13.3 (*Put Option Event*). 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 fifth Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Redemption Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 11.2 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15<sup>th</sup> calendar day following the date of such notice.

### **11.3 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.

## **12. PURCHASE AND TRANSFER OF BONDS**

### **12.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 11.2 (*Mandatory repurchase due to a Put Option Event*)).

### **12.2 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.

## **13. INFORMATION UNDERTAKINGS**

### **13.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements 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 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.

### **13.2 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 13.1 (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

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reasonable detail) computations evidencing compliance with Clause 14.9 (*Material Subsidiaries*) as at such date.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 13.1 (*Financial Reports*) are prepared using GAAP consistently applied.

### **13.3 Put Option Event**

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

### **13.4 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) 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);
- (c) 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;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) 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;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) 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.

## **14. GENERAL 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 14 (*General Undertakings*).

### **14.1 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.

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**14.2 Compliance with laws**

The Issuer shall, and shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time.

**14.3 Corporate status**

The Issuer shall not change its type of organization or jurisdiction of incorporation.

**14.4 Continuation of business**

No Obligor shall cease to carry on its business. The Issuer shall ensure that no Material Subsidiary shall cease to carry on its business if such transaction would have a Material Adverse Effect. The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of these Bond Terms.

**14.5 Mergers**

No Obligor shall, and the Issuer shall ensure that no Material Subsidiary shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of any Obligor or any of the Material Subsidiaries with any other companies or entities if such transaction would have a Material Adverse Effect.

**14.6 De-mergers**

No Obligor shall, and the Issuer shall ensure that no Material Subsidiary shall, carry out any de-merger or other corporate reorganization involving a split of any Obligor or any of the Material Subsidiaries into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

**14.7 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 or Quasi-Security over any of its/their assets (whether present or future).

(b) Paragraph (a) above does not apply to any Permitted Security and Quasi-Security.

**14.8 Disposal of business**

No Obligor shall, and the Issuer shall procure that no Material Subsidiary shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

(a) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and

(b) such transaction would not have a Material Adverse Effect.

**14.9 Arm's length transactions**

The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.

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#### **14.10 Material Subsidiaries**

- (a) The Issuer shall procure that:
- (i) the aggregate gross assets of the Guarantor and all the Material Subsidiaries (in each case on an unconsolidated basis) represents not less than eighty per cent. of the Total Consolidated Assets; and
  - (ii) the aggregate earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA) of the Guarantor and all the Material Subsidiaries (in each case on an unconsolidated basis) represents not less than eighty per cent. of the Consolidated EBITDA.
- (b) If the Financial Reports being delivered by the Issuer pursuant to the Clause 13.2(a) demonstrate that the requirements in item (i) or (ii) of paragraph (a) above are not met, the Issuer must nominate one or more Subsidiaries as being Material Subsidiaries for the purposes of these Bond Terms.

### **15. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

#### **15.1 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 Issuer 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 NOK 100 000 000 (or the equivalent thereof in any other currency).

*(e) Insolvency and insolvency proceedings*

Any Material Subsidiary:

- (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 the Issuer's ability to perform its payment 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 15.1 (d) (*Cross default*) above; or

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(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 Material Subsidiary having an aggregate value exceeding the threshold amount set out in paragraph 15.1 (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 to exercise any material right or power vested to it under the Finance Documents.

**15.2 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 15.3 (*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 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.

**15.3 Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 15.2 (*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.

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**15.4 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 price set out in Clause 11.2 (*Mandatory repurchase due to a Put Option Event*).

**16. BONDHOLDERS' DECISIONS**

**16.1 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 17.1 (*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 50 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 any amendments or waivers which can be made without resolution pursuant to Clause 18.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), 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.

**16.2 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 11 (*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.

### **16.3 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 16 (*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.

### **16.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 16.1 (*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

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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 16.1 (*Authority of the Bondholders' Meeting*), Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 16.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 16.1 (*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 16.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

#### 16.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 16.1 (*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 16.1 (*Authority of the Bondholders' Meeting*), 16.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 16.3 (*Voting Rules*) and Clause 16.4 (*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 16.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 16.5 (*Written Resolution*),shall not apply to a Written Resolution.

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- (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 16.4 (*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 16.1 (*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 16.1 (*Authority of Bondholders’ Meeting*).

## **17. THE BOND TRUSTEE**

### **17.1 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.

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## 17.2 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 17.4 (*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

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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.

### **17.3 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.

### **17.4 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.
- (d) 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.

- (e) 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.
- (f) 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.
- (g) 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 the Issuer or 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 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.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 15.3 (*Bondholders' instructions*) or Clause 16.2 (*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.

#### **17.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 16 (*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 17.5 (*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 17.5

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*(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.

## **18. AMENDMENTS AND WAIVERS**

### **18.1 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 16 (*Bondholders' Decisions*).

### **18.2 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.

### **18.3 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 18 (*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.

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## **19. MISCELLANEOUS**

### **19.1 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.

### **19.2 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.

### **19.3 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):

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- (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.

#### 19.4 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 13.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 13.3 (*Put Option Event*), Clause 13.4 (*Information: Miscellaneous*) and Clause 14 (*General undertakings*); and
      - (B) 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.

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**20. GOVERNING LAW AND JURISDICTION**

**20.1 Governing law**

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

**20.2 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.

**20.3 Alternative jurisdiction**

Clause 20 (*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.

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

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**SIGNATURES:**

<p><b>The Issuer:</b></p> <p><b>Borregaard ASA</b></p> <p><i>Magnus Hammerstad Per Bjørnstad</i></p> <p>By: <b>MAGNUS HAMMERSTAD PER BJØRNSTAD</b></p> <p>Position: <b>Group Treasurer CFO</b></p>	<p><b>As Bond Trustee:</b></p> <p><b>Nordic Trustee AS</b></p> <p><b>NORDIC TRUSTEE AS</b> <i>Ellen Søiland</i> Ellen Søiland</p> <p>By:</p> <p>Position:</p>
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<p><b>The Guarantor:</b></p> <p><b>Borregaard AS</b></p> <p><i>Magnus Hammerstad Per Bjørnstad</i></p> <p>By: <b>MAGNUS HAMMERSTAD PER BJØRNSTAD</b></p> <p>Position: <b>Group Treasurer CFO</b></p>
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**SCHEDULE 1  
COMPLIANCE CERTIFICATE**

[date]

**Borregaard ASA FRN senior unsecured bonds 2018/2023**

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 13.2(a) 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 13.2 (*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 Material Subsidiaries meet the requirements set out in Clause 14.10(a) (*Material Subsidiaries*)]<sup>1</sup>

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]*

<sup>1</sup> If this requirement is not met, the Issuer must nominate new Subsidiaries as Material Subsidiaries in accordance with Clause 14.10 (b).

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**SCHEDULE 2**  
**MATERIAL SUBSIDIARIES**

Lignotech USA, Inc  
Lignotech Florida LLC  
Borregaard Inc.