

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA

To the bondholders in:

ISIN	NO0010604697	Cecon ASA 11/18 5,00% USD STEP C
ISIN	NO0010604705	Cecon 1 and Cecon 2 AS 11/16 8,00% USD C
ISIN	NO0010506728	Cecon 1 AS and Cecon 2 AS 09/17 ADJ USD C
ISIN	NO0010364250	Cecon 1 AS and Cecon 2 AS 07/17 ADJ USD C

(the "**Junior Bond Issues**" and each a "**Junior Bond Issue**")

ISIN	NO0010799240	PRE: Cecon Shipping 3 AS 17/19 20,00% USD C
ISIN	NO0010790389	Cecon Shipping 3 AS 17/18 20,00% USD
ISIN	NO0010781198	Cecon Shipping 3 AS 16/18 20,00% USD
ISIN	NO0010778814	Cecon Shipping 3 AS 16/18 20,00% USD C
ISIN	NO0010726086	Cecon Shipping 3 AS 14/16 20,00% USD C
ISIN	NO0010744832	Cecon Shipping 1 AS 14/16 ADJ USD
ISIN	NO0010744808	Cecon Shipping 1 AS 14/16 0% USD
ISIN	NO0010744816	Cecon Shipping 1 AS 13/16 0% USD
ISIN	NO0010694599	Cecon Shipping 2 AS 13/16 12,00% USD
ISIN	NO0010672298	Cecon Shipping 2 AS 13/14 0,00% USD C

(the "**Senior Bond Issues**" and each a "**Senior Bond Issue**" and, together with the Junior Bond Issues, the "**Bond Issues**" and each a "**Bond Issue**")

Oslo, 2. August 2017

Summons to Bondholders' Meetings

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders in the Junior Bond Issues (the "**Junior Bondholders**") and the bondholders in the Senior Bond Issues (the "**Senior Bondholders**" and, together with the Junior Bondholders, the "**Bondholders**") under the (i) amended and restated loan agreement originally dated 10 March 2011, as amended and restated pursuant to an amendment and restatement agreement dated 20 February 2013 (and as subsequently amended, modified and supplemented, the "**Current Junior Bond Loan Agreement**") and (ii) amended and restated loan agreement originally dated 19 February 2013, as amended and restated pursuant to amendment and restatement agreements dated 13 November 2013 and 6 December 2013, respectively (and as subsequently amended, modified and supplemented, the "**Current Senior Bond Loan Agreement**" and together with the Current Junior Bond Loan Agreement, the "**Current Bond Loan Agreements**").

Capitalised terms used herein shall have the meaning assigned to them in (i) the Current Junior Bond Loan Agreement with respect to the Junior Bond Issues and (ii) the Current Senior Bond Loan Agreement with respect to the Senior Bond Issues, unless otherwise stated.

The information in this summons regarding the Obligors, market conditions, the described transactions and otherwise is provided by the Obligors, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1 BACKGROUND, PRECEDENCE AND DEFINITIONS

Reference is made to the restructuring overview enclosed herewith (the "**Restructuring Overview**" – which term shall include the documents listed or referred to as schedules thereto (whether attached separately or not) (each a "**Schedule**" and collectively the "**Schedules**")).

In case of any discrepancy between the Restructuring Overview (excluding the Schedules) and any Schedule, the Schedules shall have precedence.

For the purpose of this summons:

"**Restructuring**" means the amendments to the terms and conditions for the Bond Issues and all the transactions and actions described in or contemplated by the Restructuring Overview, including the equitisation of the Junior Bond Issues.

"**Transactions Agreement**" means the transactions agreement attached as Schedule 4, Part I, (*Transactions Agreement and Senior Bond Agreement*) to the Restructuring Overview.

2 THE PROPOSAL

The Issuers have approached the Bond Trustee in accordance with (i) Clause 15.2 of the Current Junior Bond Loan Agreement and (ii) Clause 16.2 of the Current Senior Bond Loan Agreement, respectively, and requested that Bondholders' Meetings be held to consider the approval of the Restructuring.

Based on the above, the Issuers propose that the Bondholders of each of the Bond Issues resolve the following (the "**Proposal**"):

(i) Approve the Restructuring on the terms described in the Restructuring Overview, authorise and instruct the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Restructuring, including without limitation to, for and on behalf of the relevant Bondholders, (a) agree, execute and deliver the Transactions Agreement and negotiate, agree, execute and deliver any other necessary agreements, documents and instruments required or deemed (in the discretion of the Bond Trustee) appropriate in connection with the Restructuring and in documenting the decisions made by the Bondholders' Meeting according to this summons, including the documentation and agreements relating to the equitisation of the Junior Bonds Issues to shares (including subscribing/exchanging for such shares on behalf of the relevant Bondholders) and (b) take such further actions and negotiate, agree, execute and deliver such agreements, documents and instruments that are required or deemed (in the discretion of the Bond Trustee) appropriate to complete and give effect to the Proposal and the transactions contemplated thereby, including the granting of waivers, giving of instructions, consents, approvals and directions (including to the securities depositary (VPS) and account operators for the purpose of cancelling and exchanging relevant bonds, subscribing for and allocating shares and bonds and for any other purpose).

(ii) Agree that the Bond Trustee may consent and agree to amendments of the Restructuring and the terms in the Restructuring Overview, including the Transaction Agreement, where such amendments (a) are of minor or technical nature, (b) are otherwise consistent with the principles of the Restructuring, and (c) in the opinion of the Bond Trustee does not have a material adverse effect on the rights and interests of the relevant Bondholders.

(iii) Agree that the Bond Trustee may exercise (or refuse to exercise) any discretion, consent or approval required or contemplated in the exercise (or non-exercise) of any such discretion which is connected with the matters referred to in this summons (including without limitation waive any time periods or deadlines).

Implementation of the Proposal in each of the Bond Issues shall be subject to approval of the Proposal by

the required majorities of Bondholders in all the Bond Issues as well as the other conditions set out in the Restructuring Overview.

3 EVALUATION OF THE PROPOSAL AND SUPPORT

3.1 The Issuers' evaluation

In the Issuers' opinion, the Proposal represents the best alternative for the Bondholders given the current circumstances. It will allow the Issuers time and financial flexibility to pursue its strategy to the benefit of all stakeholders, including the Bondholders.

3.2 Non-reliance

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee or the Issuers or any of their respective advisors. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. Neither the Bond Trustee nor its legal counsel has performed any due diligence or similar with respect to any Issuer or their assets, business or operations.

3.3 Support

The Issuers have informed the Bond Trustee that it has had discussions and negotiations with an informal group of Bondholders (including York) and that it has received pre-acceptances from this group of Bondholders.

4 FURTHER INFORMATION

Bondholders may contact Riulf Rustad, Chairman of the board in Rever Offshore AS, for further information to the Issuer and the Proposal:

Riulf Rustad
+47 90087703
rr@bekkelund.no

For further questions to the Bond Trustee, please contact Vivian Trøsch, trosch@nordictrustee.com or + 47 22 87 94 22.

5 SUMMONS FOR BONDHOLDERS' MEETINGS

The Bondholders are hereby summoned to Bondholders' Meetings in the relevant Bond Issues. Voting will be carried out separately for each Bond Issue.

Time: 17 August 2017 at 13:00 hours (Oslo time)

Place: The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.

4. Request for adoption of the Proposal:

It is proposed that the Bondholders' Meeting for each Bond Issue resolves the following:

"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons to Bondholders' Meeting(s)."

* * * * *

To approve the Proposal, Bondholders representing more than, (i) with respect to the Junior Bond Issues, two-thirds of the Voting Bonds for each of the Junior Bond Issues and (ii) with respect to the Senior Bond Issues, three-fourths of the Voting Bonds for each of the Senior Bond Issues, in each case represented (in person or by proxy) at the relevant Bondholders' Meeting must vote in favour of the Proposal. In order to have a quorum at least ½ of the Voting Bonds for each of the Bond Issues must be represented at the Bondholders' Meeting.

Please find enclosed herewith a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise Nordic Trustee ASA to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee ASA to vote, must then be returned to Nordic Trustee ASA in due time before the meeting is scheduled (by scanned e-mail, telefax or post to mail@nordictrustee.com, +47 22 87 94 10, or Nordic Trustee ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was submitted, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee ASA, to notify Nordic Trustee ASA by telephone or by e-mail by 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Morten S. Bredesen

Enclosed:

- Bondholder's Form
- Restructuring Overview

SCHEDULE TO THE SUMMONS LETTER**Restructuring Overview****Rever Offshore AS**

*This restructuring overview sets out the principal terms for the proposed debt and corporate restructuring of Rever Offshore AS ("**Rever**") and its subsidiaries (the "**Restructuring**").*

OVERVIEW AND DEFINITIONS	
OVERVIEW	
Senior Bonds:	(a) The Senior Bonds (excluding the D tranches (other than D1)) shall be reduced to MUSD 170 and continue on amended terms. (b) As consideration for agreeing to the reduction of the B2 Senior Bonds and the restructuring, the holders of the B2 Senior Bonds will receive 1.60% of the share capital in Offshore Holding (in the form of B Shares).
Junior Bonds:	The holders of the Junior Bonds shall be equitized in full and receive 65.00% of the share capital of Offshore Holding (with 33.40% being owned by Rever and 1.60% being owned by the holders of the B2 Senior Bonds).
New Corporate and External Debt Structure:	(a) Schedule 1 (<i>Corporate and external debt charts</i>) contains charts showing the existing corporate and external debt structure and the post Restructuring corporate and external debt structure. (b) Offshore Holding AS ("Offshore Holding") will be incorporated as the new holding company for Cecon 1, Cecon 3 and Cecon 718 Canada Inc. ("Cecon Canada") (c) Cecon 1 will replace Cecon 2 as the issuer of the tranche B2 Senior Bonds. (d) Rever and Cecon 2 will be released from all obligations and liabilities towards Cecon 1 and Cecon 3. (e) Cecon 2 will continue as a subsidiary of Rever. (f) Rever and Cecon 2 will be released from all obligations and liabilities with respect to the Senior Bonds. (g) All Senior Bonds for which Cecon 1 is the issuer (the C tranches) will be consolidated and restated as one tranche (except the B2 Senior Bonds). All Senior Bonds for which Cecon 3 is the issuer (the D tranches) will be consolidated and restated as one tranche. (h) The restated tranche C Senior Bonds will include an option to issue up to MUSD 35 in additional tranche C Senior Bonds for

	the purpose of financing the completion of Hull 718. (i) The restated tranche D Senior Bonds will include an option to issue up to MUSD 180 in additional tranche D Senior Bonds for the purpose of financing the completion of Hull 719. (j) Offshore Holding will, under a new tranche A Senior Bonds, have an option to issue up to MUSD 10 in Tranche A Senior Bonds for the purpose of financing the general lawful purposes of the group. The tranche A Senior Bonds shall be offered to all holders of Senior Bonds on a pro rata basis.
New Money:	No new money will be provided as a part of the Restructuring.
DEFINITIONS	Capitalised terms not defined herein shall have the meaning ascribed to such terms in the bond loan agreement (the "Senior Bond Agreement") originally dated 19 February 2013 (as subsequently amended and amended and restated), and: (a) Effective Date means the date on which the Bond Trustee notifies Rever in writing that all the conditions listed under "<i>Closing conditions</i>" below have been satisfied. (b) Junior Bonds means the bonds issued under the Existing Bond Loan Agreement. (c) Senior Bonds means the bonds issued under the Senior Bond Agreement.
THE SENIOR BONDS	
Consolidation of certain Senior Bonds and options to issue new Senior Bonds	As described under "New Corporate and External Debt Structure" above.
Reduction:	(a) All amounts outstanding with respect to the Senior Bonds (excluding the D tranches (other than D1)) (including principal, interest, profit and premium) shall be reduced to MUSD 170, such reduction to be made pro rata (i) across the tranches of Senior Bonds by reference to the principal amount outstanding under each such tranche (ii) between the holders of the Senior Bonds in each tranche by reference to the principal amount of Senior Bonds held by each holder in that tranche. (b) For each tranche of Senior Bonds (excluding the D tranches (other than D1)), the reduction shall be carried out in the following order: First, by reduction of interest, profit and premium through cancellation of the relevant amounts and, second, by reduction in principal through cancellation of the relevant number of Senior Bonds. (c) If any amounts of interest or premium on the Senior Bonds

	remain outstanding after completing the reductions described above, such amounts will be converted into new Senior Bonds in the tranches to which such amounts relate. (d) All calculations shall be done on the Effective Date and by rounding downwards in each case. (e) Attached as Schedule 2 (<i>Reduction Calculation</i>) is a calculation (before consolidation) of the reduction above if such reduction had been done with effect on 6 April 2017, provided that the calculation does not show the allocation of the reductions as between the holders in each tranche of existing Senior Bonds.																				
B Shares to holders of B2 Senior Bonds:	(a) As consideration for agreeing to the reduction of the B2 Senior Bonds and the restructuring, the holders of the B2 Senior Bonds will, on a pro rata basis, receive 1,600 B Shares (as defined below) in the capital of Offshore Holding, equalling to 1.60% of its share capital. (a) The allocation of B Shares shall be done (i) as a debt-to-equity conversion and where, prior to the conversion, Offshore Holding will have assumed, as principal debtor, the relevant payment obligations to be converted or (ii) by any other method or transaction form as determined by Offshore Holding or Rever in reasonable consultation with the holders of the B2 Senior Bonds and considering the most favourable tax position for the holders of the B2 Senior Bonds (provided that all shares issued or allocated to shareholders shall be fully paid and unencumbered).																				
New terms:	The Senior Bond Agreement shall be amended and restated in the form of the third amended and restated bond agreement attached hereto as Schedule 4 (<i>Transactions Agreement and Senior Bond Agreement</i>), Part II, and which will be documented through a transactions agreement attached hereto as Schedule 4, Part I. The key commercial terms of the third amended and restated bond agreement can be summarized as follows: (a) <i>The Senior Bonds:</i> As per the table below: <table><tr><th>Tranche</th><th>Issuer</th><th>Interest</th><th>Maturity</th></tr><tr><td>A</td><td>Offshore Holding</td><td>6% PIK</td><td>30 June 2020</td></tr><tr><td>B2</td><td>Cecon 1</td><td>6% PIK</td><td>30 Sept 2019</td></tr><tr><td>C</td><td>Cecon 1</td><td>6% PIK</td><td>30 Sept 2019</td></tr><tr><td>D</td><td>Cecon 3</td><td>6% PIK</td><td>30 June 2020</td></tr></table> All tranches will rank pari passu against the relevant Issuers and Obligors and benefit from the guarantees and security. (b) <i>Guarantees and security:</i> As per the Senior Bond Agreement, provided that Rever and Cecon 2 will be released from all	Tranche	Issuer	Interest	Maturity	A	Offshore Holding	6% PIK	30 June 2020	B2	Cecon 1	6% PIK	30 Sept 2019	C	Cecon 1	6% PIK	30 Sept 2019	D	Cecon 3	6% PIK	30 June 2020
Tranche	Issuer	Interest	Maturity																		
A	Offshore Holding	6% PIK	30 June 2020																		
B2	Cecon 1	6% PIK	30 Sept 2019																		
C	Cecon 1	6% PIK	30 Sept 2019																		
D	Cecon 3	6% PIK	30 June 2020																		

	obligations and liabilities and Offshore Holding will accede as a guarantor. (c) <i>Ordinary covenants:</i> Based on the Senior Bond Agreement, but with substantial amendments, including removal of several covenants. (d) <i>New/special provisions:</i> (i) Minimum liquidity of MUSD 5 after delivery of the first Vessel. (ii) Excess cash flow above MUSD 1 shall be applied in annual mandatory redemption on a pro rata basis across all tranches. (iii) An event of default will occur if: A. with respect to any Vessel, the Vessel has not obtained employment at available market rates within 90 days after delivery; B. Hull 718 has not been delivered on or prior to 31 December 2018; and C. Hull 719 has not been delivered on or prior to 31 December 2019. (e) <i>Voting provisions:</i> All tranches will in all matters vote together as one tranche and otherwise instruct the Bond Trustee together as one tranche, provided that each tranche (by at least 75% of the votes cast of that tranche) shall vote separately on any: (i) amendments, supplements or waivers regarding the principal, interest rate or stated time for payment of interest, tenor, redemption price and any other reduction of any amount payable in respect of the Bonds in that tranche or any impairment of the right of the Bonds of that tranche to receive payment of principal or interest on or after the relevant scheduled payment date; (ii) waiving an Event of Default consisting of the failure to pay principal or interest in respect of the Bonds in that tranche on the relevant scheduled payment date; (iii) any release of any payments obligations of any issuer or guarantor or the transfer of any such obligations to another person or any other release or transfer of such obligations in a manner adverse to the holders of the Bonds; and (iv) any change in the amendment or waiver provisions which require the consent of the Bonds of that tranche. No other changes to the voting provisions other than as expressly set out herein. In particular, the provisions set out in Clause
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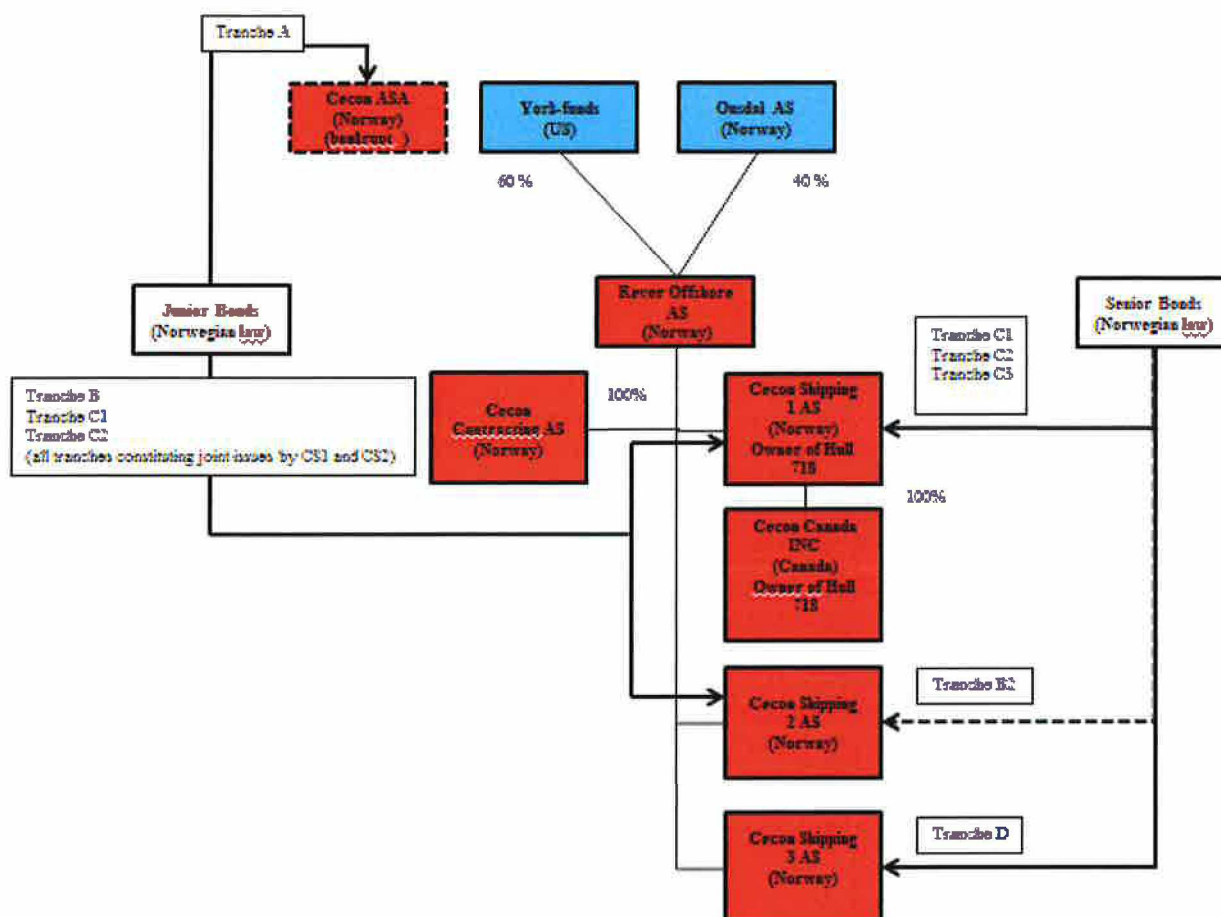
	16.3(f) – (j) of the current Senior Bond Agreement will not be amended.												
Release from obligations and liabilities:	Rever and Cecon 2 will be released from all obligations and liabilities under and with respect to the Senior Bonds (as amended and restated) and will no longer be an "Obligor", "Issuer", "Guarantor", security provider, party to any Finance Document (as defined in the Senior Bond Agreement) or otherwise an entity in respect of which or by reference to it any default under such Finance Documents can occur. The Intercreditor Agreement will be terminated.												
THE JUNIOR BONDS													
Equitization:	(a) The Junior Bonds and all amounts outstanding with respect to the Junior Bonds shall be equitized in full and receive 65,000 shares in the capital of Offshore Holding, equalling to 65% of its share capital. (b) The equitization shall be done as a debt-to-equity conversion or exchange (as decided by Rever) and where, prior to the conversion or exchange, Offshore Holding may (as decided by Rever) have assumed, as principal debtor, the payment obligations for all amounts outstanding with respect to the Junior Bonds. (c) The shares issued to the holders of the Junior Bonds will be Class B Shares (as defined below), and will be allocated between the holders of Junior Bonds as follows: <table><tr><th>Junior Bond Tranche</th><th>Number of Class B Shares for allocation between the Junior Bonds within each tranche</th><th>% of the share capital of Offshore Holding</th></tr><tr><td>A</td><td>13,930</td><td>13.93</td></tr><tr><td>B</td><td>46,430</td><td>46.43</td></tr><tr><td>C (C1 and C2)</td><td>4,640</td><td>4.64</td></tr></table>	Junior Bond Tranche	Number of Class B Shares for allocation between the Junior Bonds within each tranche	% of the share capital of Offshore Holding	A	13,930	13.93	B	46,430	46.43	C (C1 and C2)	4,640	4.64
Junior Bond Tranche	Number of Class B Shares for allocation between the Junior Bonds within each tranche	% of the share capital of Offshore Holding											
A	13,930	13.93											
B	46,430	46.43											
C (C1 and C2)	4,640	4.64											
Release from obligations and liabilities:	Each of Rever, Offshore Holding, Cecon 1, Cecon 2 and Cecon 3 will be released from all obligations and liabilities under the Finance Documents (as defined in the Junior Bond Agreement) and such Finance Documents shall terminate, in each case insofar as such Finance Documents relate to the Junior Bonds.												
NEW CORPORATE AND EXTERNAL DEBT STRUCTURE													
New holding company:	(a) Offshore Holding will be incorporated as the new holding company for Cecon 1 and Cecon 3 and Cecon Canada. Offshore Holding will guarantee the Senior Bonds and provide security over its assets as security for the Senior Bonds. (b) The shares in Cecon 1 and Cecon 3 will be transferred from												

	Rever to Offshore Holding in consideration for Offshore Holdings assumption of the payment obligations under and with respect the Senior Bonds, provided that the terms for the transfers and the assumptions will be finally determined by Rever and Offshore Holding.																
Share capital and shareholder matters:	(a) Offshore Holding will have two types of shares; class A shares ("Class A Shares") and class B shares ("Class B Shares"). Class A Shares and Class B Shares will have identical rights, save that the holders of the Class A Shares shall have the right to appoint 2/3 of the board members of Offshore Holding whereas the Class B Shares will have the right to appoint 1/3 of the board members of Offshore Holding. (b) The share capital in Offshore Holding will be allocated as follows: <table><tr><th>Shareholder</th><th>Class of shares</th><th>Number of shares</th><th>% of the share capital of Offshore Holding</th></tr><tr><td>Rever</td><td>Class A Shares</td><td>33,400</td><td>33.40</td></tr><tr><td>Former holders of Junior Bonds</td><td>Class B Shares</td><td>65,000</td><td>65.00</td></tr><tr><td>Holders of B2 Senior Bonds</td><td>Class B Shares</td><td>1,600</td><td>1.60</td></tr></table> (c) All shares will be electronic, book entry shares registered in the Norwegian Securities Depository (VPS) (same registry as the bonds). All shares are freely transferable, with no lock-up, tag-along rights, drag-along rights, company approvals on transfer or rights of first refusal. (d) No shareholders' agreement will be required to be entered into as a part of the Restructuring. All reserved matters will either follow from statutory Norwegian law or the articles of association of Offshore Holding. Schedule 3 (<i>Articles of Association</i>) contains the articles of association of Offshore Holding (post restructuring). (e) The articles of association shall contain, i.a., provisions whereby: (i) all shareholder resolutions shall require 2/3 majority of votes cast; (ii) the holders of the Class A Shares shall have the right to appoint 2/3 of the board members of Offshore Holding whereas the Class B Shares will have the right to appoint 1/3 of the board members of Offshore Holding; (iii) the following matters shall require unanimous approval from all board members: A. the employment of vessels 718 or 719 other than on market terms;	Shareholder	Class of shares	Number of shares	% of the share capital of Offshore Holding	Rever	Class A Shares	33,400	33.40	Former holders of Junior Bonds	Class B Shares	65,000	65.00	Holders of B2 Senior Bonds	Class B Shares	1,600	1.60
Shareholder	Class of shares	Number of shares	% of the share capital of Offshore Holding														
Rever	Class A Shares	33,400	33.40														
Former holders of Junior Bonds	Class B Shares	65,000	65.00														
Holders of B2 Senior Bonds	Class B Shares	1,600	1.60														

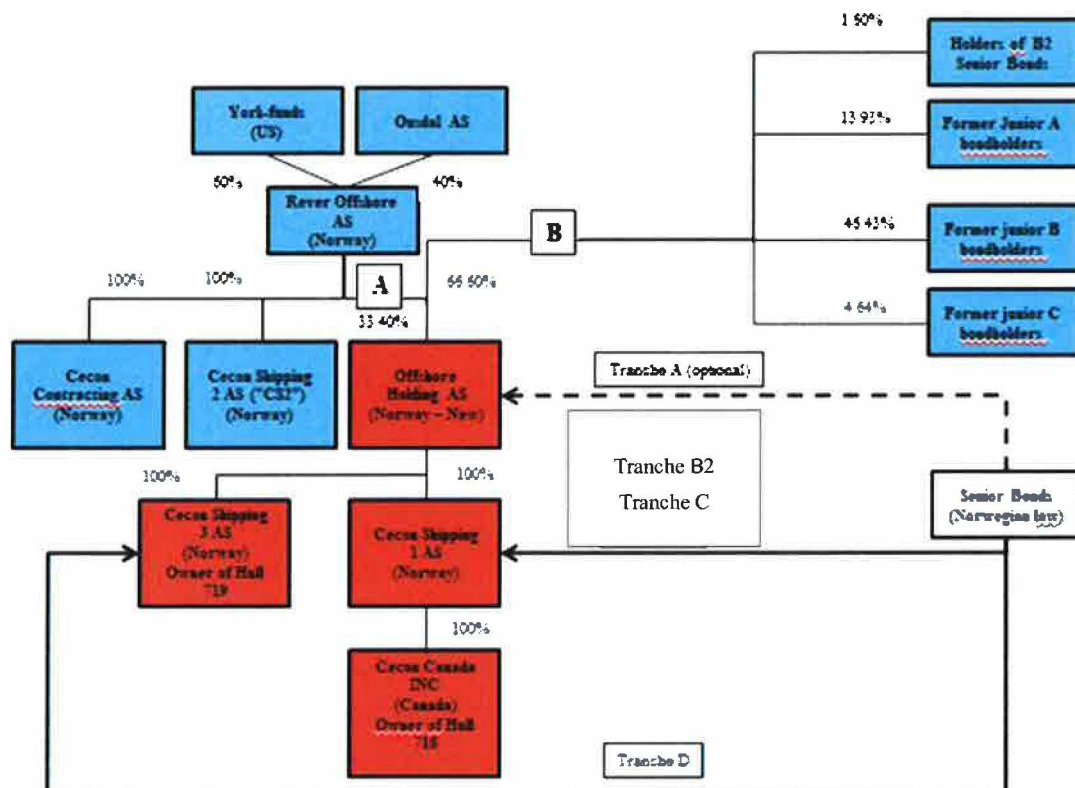
	B. sale of vessel 718 for a gross price lower than MUSD 155 prior to one year after final delivery thereof; and C. sale of vessel 719 for a gross price lower than MUSD 175 prior to one year after final delivery thereof.
INTRA-GROUP TRANSACTIONS	
	(a) Rever will transfer all shares in Cecon 1 and Cecon 3 to Offshore Holding. Transfer type and terms and conditions to be determined by Rever and Offshore Holding. (b) Cecon 1 will replace Cecon 2 as the issuer of the tranche B2 Senior Bonds by assuming its obligations and liabilities as the issuer thereof. (c) It is currently intended (although this may be changed) that, after the completion of the Restructuring, there will be no monetary claims between any of Rever or Cecon 2 on the one side and any of Offshore Holding, Cecon 1, Cecon 3 or Cecon Canada on the other side, possibly having the effect that certain claims will have to be forfeited. Certain intra-group transactions regarding the assets and/or obligations of the group will or may be made to accommodate this and the terms and conditions thereof will be decided by the relevant companies.
CLOSING CONDITIONS AND CLOSING STEPS	
Closing conditions:	The completion of the Restructuring will be subject to the relevant conditions precedent being satisfied and (where relevant) received in form and substance satisfactory by the Bond Trustee on or prior to 31 October 2017. The conditions precedent are set out the Transactions Agreement.
Effective date:	The Restructuring and transactions contemplated by the Restructuring will be completed on the Effective Date. It is the intention that the Restructuring and the transactions contemplated by the Restructuring will be completed simultaneously, provided that the Bond Trustee shall be authorised to agree to such closing steps and closing mechanics as it shall deem satisfactory for the purpose of completing the Restructuring and the transactions contemplated thereby.
Governing law:	The Restructuring and the transactions contemplated thereby and all disputes arising therefrom shall be governed by Norwegian law.

SCHEDULE 1 **CORPORATE AND EXTERNAL DEBT CHARTS**

Part I: Existing corporate and external debt chart



Part II: Post Restructuring corporate and external debt chart



SCHEDULE 2

REDUCTION CALCULATION

Total outstanding	Senior Bond Tranche[1]	Total principal amount outstanding (MUSD)	Total amount of interest and premium outstanding (MUSD)	Total debt outstanding	Reduction (%)	Reduction amount (MUSD)	New total amount (MUSD)	Proportion of principal
10,5	B2	8,0	2,5	10,5	24,8 %	2,6	7,9	5,2 %
38,8	C1	25,0	13,8	38,8	24,8 %	9,6	29,2	16,2 %
85,5	C2	55,0	30,5	85,5	24,8 %	21,17	64,3	35,7 %
32,0	C3	20,0	12,0	32,0	24,8 %	7,9	24,1	13,0 %
59,1	D1	35,0	24,1	59,1	24,8 %	14,7	44,5	22,7 %
2,3	D2	2,0	0,3	2,3	0,0 %	-	2,3	1,3 %
2,2	D3	2,0	0,2	2,2	0,0 %	-	2,2	1,3 %
2,1	D4	2,0	0,1	2,1	0,0 %	-	2,1	1,3 %
5,0	D5	5,0	-	5,0	0,0 %	-	5,0	3,2 %
237,5		154,0	83,5	237,5			181,6	

SCHEDULE 3
ARTICLES OF ASSOCIATION

[attached as a separate document]

SCHEDULE 4
TRANSACTIONS AGREEMENT AND SENIOR BOND AGREEMENT

Part I: Transactions Agreement

[attached as a separate document]

Part II: Senior Bond Agreement

[attached as a separate document]

SCHEDULE 3 OF THE RESTRUCTURING OVERVIEW

**Vedtekter
for
Offshore Holding AS
("Selskapet")**

Gjeldende fra _____ 2017

**§ 1
Foretaksnavn**

Selskapets foretaksnavn er Offshore Holding AS.

**§ 2
Forretningskommune**

Selskapet skal ha sitt forretningskontor i Oslo kommune.

**§ 3
Selskapets virksomhet**

Selskapets virksomhet skal være å kjøpe, selge og eie skip samt virksomhet i naturlig tilknytning, herunder eie, kjøp og salg av hele eller andeler i selskap eller andre virksomheter som driver med det samme.

**§ 4
Aksjekapital og aksjer**

Selskapets aksjekapital er NOK 100.000,-, fordelt på 33.400 A-aksjer, og 66.600 B-aksjer, hver pålydende NOK 1. Selskapets aksjer skal være registrert i VPS.

Selskapets A- og B-aksjer har identiske rettigheter med unntak av bestemmelsen under vedtektenes § 5 annet avsnitt, nedenfor.

English office translation. In case of discrepancy the Norwegian version shall prevail.

**Articles of Association
of
Offshore Holding AS
(the "Company")**

Applicable from _____ 2017

**§ 1
Company name**

The name of the Company is Offshore Holding AS.

**§ 2
Business address**

The Company shall have its business address in the municipality of Oslo.

**§ 3
The business activity of the company**

The business activity of the Company shall be to purchase, sell and own ships, as well as owning, purchasing and selling some or all shares in companies or other business with similar activities.

**§ 4
Share capital and issued Shares**

The share capital of the Company is NOK 100,000, divided into 33,400 A-shares, and 66,600 B- shares, each with a face value of NOK 1. The shares of the Company shall be registered in the Norwegian Securities Depository (VPS).

The A-shares and B-shares shall have equal rights, with the exception stated below under the articles Section 5, second paragraph.

§ 5***Særskilte flertallskrav på Selskapets generalforsamling***

Samtlige beslutninger på ordinær eller ekstraordinær generalforsamling i Selskapet krever 2/3 flertall fra de fremmøtte aksjonærene, med unntak av ved styrevalg, hvor følgende gjelder:

Eierne av A-aksjer skal ha rett til å velge 2/3 av medlemmene i Selskapets styre samt styrets leder, mens eierne av B-aksjer skal ha rett til å velge 1/3 av medlemmene av Selskapets Styre. Valg av styremedlemmer gjennomføres etter aksjelovens regler om flertall og votering, men likevel slik at aksjelovens flertallskrav ved styrevalg gjelder internt for hver aksjeklasse.

§ 6***Styrets sammensetning og særskilte flertallskrav ved styrebehandling***

Selskapets styre skal bestå av enten 3 eller 6 medlemmer.

Følgende beslutninger krever samtykke fra samtlige medlemmer av Selskapets styre:

- a) Beskjeftigelse av fartøy 718 og 719 foruten på markedsmessige vilkår;
- b) Salg av fartøy 718 før et år etter levering av dette fartøyet for en brutto salgssum lavere enn USD 155,000,000;
- c) Salg av fartøy 719 før et år etter levering av dette fartøyet for en brutto salgssum lavere enn USD 175,000,000.

§ 7***Forkjøpsrett m.v. til aksjer***

Alle aksjer er fritt omsettelige, uten forkjøpsrett for de øvrige aksjonærene. Salg og kjøp av aksjer

§ 5***Special voting requirements on the General Meeting of the Company***

All resolutions of the ordinary or extraordinary general meeting of the Company shall require a 2/3 majority of the votes of the shares present at such general meeting, except for board election where the following shall apply:

The holders of the A-shares shall have the right to elect 2/3 of the members as well as the chairman of the Board of Directors of the Company, and the holders of the B-shares shall have the right to elect 1/3 of the members of the Board of Directors of the Company. Board election shall be carried out pursuant to the provisions of the Norwegian Private Limited Liability Companies Act ("NPLCA"), however so that NPLCA's provisions regarding majority of votes with respect to board election shall be applicable to each share class separately.

§ 6***Board composition and special voting requirements for the Board of Directors***

The Board of Directors of the Company shall comprise of either 3 or 6 board members.

The following resolutions require unanimous approval from all members of the Board of Directors of the Company:

- a) The employment of vessels 718 or 719 other than on market terms;
- b) Sale of vessel 718 for a gross price lower than USD 155,000,000 prior to one year after final delivery thereof.
- c) Sale of vessel 719 for a gross price lower than USD 175,000,000 prior to one year after final delivery thereof.

§ 7***Pre-emption rights to shares etc.***

All shares are freely transferable, without any rights of first refusal for the remaining shareholder. Sale

krever ikke samtykke fra Selskapet.

and purchase of shares does not require Company approvals.

SCHEDULE 4, PART I, OF THE RESTRUCTURING OVERVIEW

TRANSACTIONS AGREEMENT

between

[OFFSHORE HOLDING AS]
(Issuer and Guarantor)

REVER OFFSHORE AS
(Issuer and Guarantor)

CECON SHIPPING 1 AS
(Issuer and Guarantor)

CECON SHIPPING 2 AS
(Issuer and Guarantor)

CECON SHIPPING 3 AS
(Issuer and Guarantor)

CECON 718 CANADA INC.
(Guarantor)

AND

NORDIC TRUSTEE ASA
(Bond Trustee)

on behalf of

THE BONDHOLDERS

in the Senior Bond Issues and the Junior Bond Issues

TRANSACTIONS AGREEMENT

This transactions agreement (the "**Agreement**") has been entered into on [**] 2017 between:

- (1) **[OFFSHORE HOLDING AS]**, business enterprise no. [**], as issuer and guarantor under the Amended and Restated Senior Bond Loan Agreement ("**Offshore Holding**");
- (2) **REVER OFFSHORE AS**, business enterprise no. 899 329 872, as issuer and guarantor under the Current Senior Bond Loan Agreement and the Current Junior Bond Loan Agreement ("**Rever**");
- (3) **CECON SHIPPING 1 AS**, business enterprise no. 991 789 677, as issuer and guarantor under the Current Senior Bond Loan Agreement and the Current Junior Bond Loan Agreement and as issuer and guarantor under the Amended and Restated Senior Bond Loan Agreement ("**Cecon 1**");
- (4) **CECON SHIPPING 2 AS**, business enterprise no. 991 789 650, as issuer and guarantor under the Current Senior Bond Loan Agreement and the Current Junior Bond Loan Agreement ("**Cecon 2**");
- (5) **CECON SHIPPING 3 AS**, business enterprise no. 991 789 677, as issuer and guarantor under the Current Senior Bond Loan Agreement and the Current Junior Bond Loan Agreement and as issuer and guarantor under the Amended and Restated Senior Bond Loan Agreement ("**Cecon 3**"); and
- (6) **CECON 718 CANADA INC.**, as guarantor under the Current Senior Bond Loan Agreement and as guarantor under the Amended and Restated Senior Bond Loan Agreement ("**Cecon Canada**"); and
- (7) **NORDIC TRUSTEE ASA**, business enterprise no. 963 342 624, as bond trustee for the bondholders in the Senior Bond Issues and the Junior Bond Issues (the "**Bond Trustee**"),

(the companies listed in (1)-(6) above collectively referred to as the "**Group Companies**").

WHEREAS:

- (A) Pursuant to an amended and restated loan agreement originally dated 10 March 2011, as amended and restated pursuant to an amendment and restatement agreement dated 20 February 2013 (and as subsequently amended, modified and supplemented up to, but not including, the Effective Date, the "**Current Junior Bond Loan Agreement**"), the Issuers (as defined therein) have issued several series of Bonds (each such term as defined in the Current Junior Bond Loan Agreement) (the "**Junior Bond Issues**").
- (B) Pursuant to an amended and restated loan agreement originally dated 19 February 2013, as amended and restated pursuant to amendment and restatement agreements dated 13 November 2013 and 6 December 2013 (and as subsequently amended, modified and supplemented up to, but not including, the Effective Date, the "**Current Senior Bond Loan Agreement**"), the

Issuers (as defined therein) have issued several series of Bonds (each such term as defined in the Current Senior Bond Loan Agreement) (the "**Senior Bond Issues**").

- (C) Subject to the conditions set out herein, the Bond Trustee has, acting on the required instructions of the bondholders in the Senior Bond Issues and the Junior Bond Issues, accepted the terms and the entry into of this Agreement so that, *inter alia*, (i) the Junior Bond Issues will be converted from monetary claims against the Obligors (as defined in the Current Junior Bond Loan Agreement) to equity interests in Offshore Holding in the form of Class B Shares (as defined below), and (ii) the Current Senior Bond Loan Agreement will be amended and restated in the form attached in Schedule 2 (*Amended and Restated Bond Loan Agreement*) hereto (the "**Amended and Restated Senior Bond Loan Agreement**").

IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Amended and Restated Senior Bond Loan Agreement.
- (b) In this Agreement:

"**Effective Date**" means the date on which the Bond Trustee notifies Rever in writing that it has received all the documents and other evidence set out in Schedule 1 (*Conditions precedent documents*) hereto in a form and substance satisfactory to it (or that any such requirements have been waived by the Bond Trustee).

"**Class B Shares**" means shares in the capital of Offshore Holding and having the rights and characteristics afforded "Class B Shares" in the articles of association of Offshore Holding.

- (c) Save as otherwise provided in this Agreement, the provisions of Clause 1.2 (*Construction*) of the Amended and Restated Senior Bond Loan Agreement apply to this Agreement as though they were set out herein in their entirety, except that references to the Amended and Restated Senior Bond Loan Agreement shall be construed as references to this Agreement and any other logical adjustments being made.

2 THE TRANSACTIONS

With irrevocable and unconditional effect from and including the Effective Date (and as further set out below):

with respect to the Current Junior Bond Loan Agreement and the Junior Bond Issues

- (a) All amounts outstanding under and with respect to the Bonds shall be converted and/or (if determined by Rever) exchanged into fully paid Class B Shares as follows (the "**Junior Equity Subscription**"):

Junior Bond Tranche	Number of Class B Shares	% of the share capital of Offshore Holding
Tranche A Bonds	13,930	13.93

Tranche B Bonds	46,430	46.43
Tranche C Bonds (C1 and C2)	4,640	4.64

The Class B Shares will be allocated pro rata amongst the Bondholders of each tranche (and all calculations to be done by rounding down to the nearest whole share).

- (b) Immediately upon completion of the Junior Equity Subscription, the Current Junior Bond Loan Agreement, the other Finance Documents (as defined in the Current Junior Bond Loan Agreement prior to giving effect to this Agreement), the Intercreditor Agreement, the Bond Security and the Guarantees shall be released and terminate (as relevant in each case) in full and no Obligor shall have any obligations or liabilities thereunder or in respect thereof and none of the assets of the Obligors shall be subject to any Security in favor of the Bonds provided that, in each case, any such documents, obligations or liabilities and Security that relate to the Senior Bond Issues (as amended hereby) shall continue in full force and effect insofar as they relate solely to the Senior Bond Issues (as amended hereby).

Capitalized terms used in paragraphs (a) and (b) above and otherwise not defined herein shall have the meaning ascribed to such terms in the Current Junior Bond Loan Agreement.

with respect to the Current Senior Bond Loan Agreement and the Senior Bond Issues

- (c) The total amounts outstanding under the Senior Bond Issues (excluding the Tranche D2 Bonds, the Tranche D3 Bond, the Tranche D4 Bonds and the Tranche D5 Bonds) shall be reduced down to an aggregate principal amount of USD 170,000,000 (the "**Senior Reduction**"). The reduction will be made *pro rata* (i) across the relevant Senior Bond Issues by reference to the principal amount outstanding under each such tranche and (ii) among the Bondholders in each tranche by reference to the principal amount of Bonds held by each Bondholder in that tranche. Within each tranche, the reduction shall be carried out in the following order: First, by reduction of interest, profit and premium through cancellation of the relevant amounts and, second, by reduction in principal through cancellation of the relevant number of Bonds.
- (d) In relation to any reduction of the total amounts outstanding under and in relation to the Tranche B2 Bonds, the reduction amount in respect thereof shall be converted and/or (if determined by Rever) exchanged into 1,600 Class B Shares (the "**B2 Equity Subscription**"), such Class B2 Shares to be allocated pro rata amongst the Bondholders in that tranche (and all calculations to be done by rounding down to the nearest whole share).
- (e) Immediately following the Senior Reduction, Cecon 1 will replace Cecon 2 as the issuer of the Tranche B2 Bonds.
- (f) Rever and Cecon 2 will be released from all obligations and liabilities under the Finance Documents (excluding this Agreement) and any Security over the shares in any such company or over any of their assets in favor of the Bonds shall be released (provided that Rever shall only be released of its obligations and liabilities under Security Documents regarding the pledge of shares in Cecon 1 and Cecon 3 as and when Offshore Holding has replaced Rever as the party to and security provider under such Security Documents).

- (g) The Current Senior Bond Loan Agreement shall be amended and restated in the form and with the content of the Amended and Restated Senior Bond Loan Agreement – and whereby, among other things,
 - (i) the Tranche C1 Bonds, the Tranche C2 Bonds and the Tranche C Bonds will be consolidated and restated as one tranche of bonds; and
 - (ii) the Tranche D1 Bonds, the Tranche D2 Bonds, the Tranche D3 Bonds and the Tranche D4 Bonds will be consolidated and restated as one tranche of bonds.
- (h) The Bondholders and the Bond Trustee:
 - (i) waive any and all Defaults, Events of Default and any other non-compliance with or breach of the terms of the Current Senior Bond Loan Agreement, the other Finance Documents (as defined in the Current Senior Bond Loan Agreement prior to giving effect to this Agreement) and any related agreement or document and any misrepresentation made thereunder;
 - (ii) waive any and all rights of mandatory redemption, repayment or prepayment due or otherwise capable of being declared due under the Current Senior Bond Agreement, the other Finance Documents (as defined in the Current Senior Bond Loan Agreement prior to giving effect to this Agreement) and any related agreement or document, excluding reimbursement of costs and expenses to the Bond Trustee and fees due to the Bond Trustee; and
 - (iii) give such consents and other waivers as are required to complete the transactions contemplated by this Agreement.

Capitalized terms used in paragraphs (c) to (h) above, and otherwise not defined herein shall have the meaning ascribed to such terms in the Current Senior Bond Loan Agreement.

The transactions described above in this Clause 2 shall, to the fullest extent possible and unless otherwise stated above or decided by Rever and the Bond Trustee, occur automatically on the Effective Date.

3 FINANCE DOCUMENT

This Agreement is a Finance Document for the purpose of the Amended and Restated Senior Bond Loan Agreement.

4 FURTHER ASSURANCES

- 4.1** The parties shall, at their own expense, take whatever actions the Bond Trustee may reasonably require for the purposes of implementing the transactions contemplated herein including any actions required to create, perfect, preserve or protect any security intended to be created pursuant to the terms of this Agreement and the Amended and Restated Senior Bond Loan Agreement.

- 4.2** The Bond Trustee shall, at the request and cost of Offshore Holding, (i) take whatever action is necessary to give full effect to (1) the waivers and consents set out in Clause 2 (*The Transactions*) above and (2) the release and discharge of obligations, liabilities and security interests set out in in Clause 2 (*The Transactions*) above, including the filing of documents for de-registration in any relevant registry, the sending of notices of release and discharge to relevant persons (and each member of the Group may, from and including the Effective Date, treat a copy of this Agreement as a notice of release and discharge of the relevant security interest) and (ii) deliver to Offshore Holding the originals of any debt instruments and similar documents evidencing indebtedness of any relevant member of the Group.

5 REPRESENTATIONS AND WARRANTIES

Each Obligor represent and warrant as at the Effective Date that:

- (a) it is a limited liability company, duly incorporated and validly existing under the law in which it is registered, and has the power to own its assets and carry on its business as presently conducted;
- (b) it has the power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of this Agreement;
- (c) this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, and no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render this Agreement enforceable against it; except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);
- (d) the entry into and performance by it of this Agreement and the transactions contemplated hereby do not and will not conflict with (i) any present law or regulation or judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on that Obligor; and
- (e) all authorisations, consents, licenses or approvals of all persons (including Governmental Authorities) required for such Obligor in connection with the execution, performance validity or enforceability of this Agreement, and the transactions contemplated hereby, have been obtained and are valid.

6 SECURITY AND GUARANTEE CONFIRMATION

Each of Offshore Holding, Cecon 1, Cecon 3, and Cecon 718 Canada Inc. confirms that, notwithstanding the amendments and transactions effected by this Agreement, (i) each Guarantee Agreement and Security Document to which it is a party shall continue in full force and effect and shall extend to its liabilities and obligations, respectively, under the Amended and Restated Senior Bond Loan Agreement and the other Finance Documents (as applicable and subject to such limitations as are agreed in each Guarantee Agreement and Security Document) and (ii) any reference in any Guarantee Agreement or Security

Document to the Current Senior Bond Loan Agreement shall, from the Effective Date, be construed as a reference to the Amended and Restated Senior Bond Loan Agreement.

7 MISCELLANEOUS

7.1 Invalidity of any Provision

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

7.2 Counterparts

This Agreement may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute one and the same instrument.

8 JURISDICTION AND GOVERNING LAW

- (a) This Agreement and all disputes arising out of, or in connection with this Agreement among the Bond Trustee, any bondholders and/or any other party hereto, shall be governed by Norwegian law.
- (b) All disputes arising out of, or in connection with this Agreement among the Bond Trustee, the bondholders and/or any other party hereto, shall be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.

SCHEDULE 1

CONDITIONS PRECEDENT DOCUMENTS

Finance Documents

- (a) This Agreement duly executed by all parties hereto.

Approvals

- (b) Approval of the terms of the restructuring and the transactions as set forth in this Agreement at a meeting of the bondholders in each Junior Bond Issue and with the required majority voting in favour thereof.
- (c) Approval of the terms of the restructuring and the transactions as set forth in this Agreement at a meeting of the bondholders in each Senior Bond Issue and with the required majority voting in favour thereof.

Constitutional documents and corporate resolutions

- (d) With respect to each Group Company, copies of:
- (i) its up-to-date articles of association;
 - (ii) its up-to-date certificate of registration;
 - (iii) such shareholder resolutions as shall be required for the purposes of the transactions set out herein;
 - (iv) such board resolutions as shall be required for the purposes of the transactions set out herein; and
 - (iv) (if not included in item (iv) above) a power of attorney to relevant individuals for their execution of this Agreement and all other documents to be executed pursuant hereto.

With respect to Offshore Holding

- (e) Evidence that:
- (i) shares in Offshore Holding are registered in the Norwegian Securities Depository;
 - (ii) the articles of association of Offshore Holding are in the form of Schedule 3 (*Articles of Association*) hereto and are in effect;
 - (iii) after completion of the Junior Equity Subscription and the B2 Equity Subscription, the share capital (as registered in the Norwegian Securities Depository) of Offshore Holding will be allocated as set out in the table below:

Shareholder	Class shares	of	Number shares	of	% of the share capital of Offshore Holding
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Rever	Class Shares	A	33,400	33.40
Former holders of Junior Bonds	Class Shares	B	65,000	65.00
Holders of B2 Senior Bonds	Class Shares	B	1,600	1.60

- (iv) the entire share capital of Cecon 1 and Cecon 3 is owned by Offshore Holding;
- (v) Offshore Holding has:
- A. guaranteed the Bonds on terms and conditions substantially similar to the Guarantee Agreement;
 - B. replaced Rever as party to and security provider under the Security Documents regarding the pledge of shares in Cecon 1 and Cecon 3.
- (f) A certificate signed by the chief executive officer or chairman of the board certifying and confirming that (i) each copy document delivered by any Group Company to the Bond Trustee under this Agreement is correct, complete, up-to-date and in full force and effect (as the case may be) and (ii) immediately after the occurrence of the Effective Date, no Default or Event or Event of Default has occurred and is continuing under the Amended and Restated Senior Bond Loan Agreement.

Other documents and evidence

- (g) Any statements or legal opinions reasonably required by the Bond Trustee, addressed to the Bond Trustee (for itself and as trustee on behalf of the Bondholders), such legal opinions to be in form and substance reasonably satisfactory to the Bond Trustee.
- (h) Such other documents and evidence reasonably requested by the Bond Trustee.

SCHEDULE 2

AMENDED AND RESTATED SENIOR BOND LOAN AGREEMENT

[will be in the form of Schedule 4, Part II of the Restructuring Overview]

SCHEDULE 3

ARTICLES OF ASSOCIATION

[will be in the form of Schedule 3 of the Restructuring Overview]

SIGNATORIES**Offshore Holding AS**

.....
Name:
Title:

Nordic Trustee ASA

.....
Name:
Title:

Cecon Shipping 1 AS

.....
Name:
Title:

Cecon Shipping 3 AS

.....
Name:
Title:

By signing this Agreement we hereby acknowledge and agree to the terms of this Agreement.

Rever Offshore AS

.....
Name:
Title:

Cecon Shipping 2 AS

.....
Name:
Title:

Cecon Canada 718 Inc.

.....
Name:
Title:

SCHEDULE 4, PART II, OF THE RESTRUCTURING OVERVIEW

ISIN NO [**] (Tranche A Bonds)
ISIN NO [001 069459.9] (Tranche B2 Bonds)
ISIN NO [**] (Tranche C Bonds)
ISIN NO [**] (Tranche D Bonds)

THIRD AMENDED AND RESTATED BOND LOAN AGREEMENT
between

OFFSHORE HOLDING AS
(Parent Issuer)

and

CECON SHIPPING 1 AS AND CECON SHIPPING 3 AS
(Subsidiary Issuers)

And

NORDIC TRUSTEE ASA
(Bond Trustee)

on behalf of
THE BONDHOLDERS

in the issue of Bonds listed at the top of this page

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¹ Table will be updated.

THIRD AMENDED AND RESTATED BOND LOAN AGREEMENT

This agreement, originally entered into on February 19, 2013, as subsequently amended and amended and restated, is made by and between:

- (1) **OFFSHORE HOLDING AS**, business enterprise no. [**], as Parent Issuer;
- (2) **CECON SHIPPING 1 AS**, business enterprise no. 991 789 677, as Subsidiary Issuer;
- (3) **CECON SHIPPING 3 AS**, business enterprise no. 991 789 685, as Subsidiary Issuer;
and
- (4) **NORDIC TRUSTEE ASA** (previously Norsk Tillitsmann ASA), business enterprise no. 963 342 624, as Bond Trustee on behalf of the Bondholders,

(the parties referred to above in (1) to (4) above are jointly referred to herein as the "**Parties**").

On the Effective Date this Bond Loan Agreement amends and restates the Original Bond Loan Agreement (as defined below).

1 Definitions and Construction

- 1.1 Whenever used in this Bond Loan Agreement the following terms shall have the following meaning:

Account Manager:	a Bondholder's account manager in the Securities Depository.
Additional Bonds:	any Tranche A Bonds, Tranche C Bonds and Tranche D Bonds to be issued as a tap issue after the Effective Date (other than Additional PIK Bonds issued pursuant to clause 9.1).
Additional PIK Bonds:	is defined in Clause 9.1.
Attachment:	any attachments to this Bond Loan Agreement.
Banking Day:	any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo and New York.
Bond Loan Agreement:	this third amended and restated bond loan agreement, including any Attachments to it, each as amended,

	restated, supplemented or otherwise modified, from time to time.
Bond Security:	the security for the Bonds created or purported to be created pursuant to the Security Documents, which includes, <i>inter alia</i>: (i) first priority perfected and registered ship mortgages on, and security interests in, each of the Vessels, with the related Deeds of Covenants; (ii) first priority perfected and registered hypothecs with respect to all movable property related to each of the Vessels; (iii) first priority perfected Security over the materials and equipment earmarked for use in the construction of the Vessels; (iv) first priority assignments of insurance in respect of each of the Vessels providing that the Bond Trustee is first loss payee and additional insured in respect of the collateral listed in paragraphs (i) to (iv) above; (v) a first priority pledge over the shares in each Obligor (other than the Parent Issuer); (vi) a first priority pledge over each of the Cash Management Accounts and any other accounts held by each of the Obligors; (vii) a first priority charge on certain intercompany debts owing by any Obligor to any Obligor; (viii) a first priority pledge over any insurances held by each of the Obligors; and (ix) first ranking security over substantially all of the other assets of each Obligor.
Bond Trustee:	Nordic Trustee ASA (a company existing under the laws of Norway with registration number 963 342 624) as bond trustee.

Bondholders:	the holders of the Bonds, as registered in the Securities Depository.
Bondholders' Meeting:	a meeting of the Bondholders in respect of one or more Issues of the Bonds, as set forth in Clause 16.
Bonds:	collectively, the Tranche A Bonds, the Tranche B Bonds, the Tranche B2 Bonds, the Tranche C Bonds, the Tranche D Bonds and the Additional PIK Bonds.
Call Option:	is defined in Clause 10.2(a).
Cecon 1:	Cecon Shipping 1 AS (Norwegian company no. 991 789 677).
Cecon 2:	Cecon Shipping 2 AS (Norwegian company no. 991 789 650).
Cecon 3:	Cecon Shipping 3 AS (Norwegian company no. 991 789 685).
Cecon Canada:	Cecon 718 Canada INC (Canadian company no. [**]).
Decisive Influence:	a person having, as a result of an agreement or through the ownership of shares or interests in another person: (i) a majority of the voting rights in that other person; or (ii) a right to elect or remove a majority of the members of the board of directors or comparable governing body of that other person. When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.
Default:	an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

Defeasance Pledge:	is defined in Clause 18.2.
Delivery Date:	with respect to each Vessel, the date that the relevant Obligor accepts delivery of the Vessel as completed.
Distribution:	is defined in Clause 13.2(d).
Effective Date:	has the meaning ascribed to such term in the Transaction Agreement.
Event of Default:	is defined in Clause 15.1.
Exchange:	(i) a securities exchange or other reputable regulated market, or (ii) Oslo Alternative Bond Market, on which the Bonds are listed, or where the Issuer has applied for listing of the Bonds.
Finance Documents:	collectively, (i) this Bond Loan Agreement, , (ii) the First Amendment and Restatement Agreement, (iii) the Second Amendment and Restatement Agreement, (iv) the Transaction Agreement, (v) the fee agreements according to Clause 14.1, (vi) the Guarantee Agreement(s), (vii) each Security Document and any other documents executed in relation to the granting of any Bond Security and (vii) any other document (whether creating a security interest or not) which is executed at any time by any Obligor in relation to any obligation under this Bond Loan Agreement or any of the other documents referred to in this definition, each as amended, restated, supplemented or otherwise modified, from time to time.
Financial Indebtedness:	any indebtedness for or in respect of: (i) moneys borrowed; (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent; (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

	(iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with [GAAP][IFRS], be treated as finance or capital lease; (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and (viii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) above.
Financial Statements:	the audited unconsolidated annual financial statements of each Obligor, and the consolidated annual financial statements (including consolidating adjustments) of the Parent Issuer for any financial year, drawn up according to [GAAP][IFRS], such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the board of directors.
First Amendment and Restatement Agreement:	the first amendment and restatement agreement dated 13 November 2013 made between the Obligors (as defined therein) and the Bond Trustee, providing for, among other things, the amendment and restatement of this Bond Loan Agreement.
GAAP:	the generally accepted accounting principles in Norway; <u>provided</u> that such principles are IFRS-compliant.
Governmental Authority:	any government, parliament, legislature, or any regulatory authority, agency, commission or board of

	any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including, without limitation, any stock exchange, securities regulatory authority, central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant circumstances.
Group:	the Parent Issuer and its Subsidiaries (direct and indirect).
Group Company:	the Parent Issuer or any of its Subsidiaries.
Guarantee Agreements:	The guarantee agreements setting out the terms of each of the Guarantees.
Guarantees:	an unconditional, irrevocable and joint and several on-demand guarantee from each Obligor securing all payment obligations of each of the Issuers under the Finance Documents.
Guarantor:	at any time, any member of the Group that provides, or is required to provide, a Guarantee at such time, and at the date of this agreement the following members of the Group are Guarantors: (ix) each Issuer; and (x) Cecon Canada.
Hull 718:	the VS 4220 Offshore Construction Vessel under construction and owned by Cecon Canada.
Hull 719:	the VS 4220 Offshore Construction Vessel under construction and owned by Cecon 3.
IFRS:	the international accounting standards within the meaning of IAS Regulation 1606/2002.
Intercreditor Agreement:	any agreement between, among others, creditors (and/or any creditor representative) regarding the rights and obligations of creditors with respect to any Obligor or its assets, including the ranking of claims and Security,

	the terms of which is approved by by Bondholders representing more than 50.00% of the total Outstanding Bonds.
Interim Accounts:	the unaudited unconsolidated quarterly financial statements of each Obligor, and the consolidated quarterly financial statements (including consolidating adjustments) of the Parent Issuer for any quarter, drawn up according to [GAAP][IFRS].
ISIN:	International Securities Identification Number – the identification number of each Issue.
Issuer's Bonds:	Bonds owned by an Issuer, any party who has decisive influence over that Issuer, or any party over whom that Issuer has decisive influence.
Issuers:	each Subsidiary Issuer; <u>provided</u> that "Issuers" shall not include any entity that has been released from its Guarantee pursuant to the Guarantee Agreement.
Loss/Sale Mandatory Redemption:	is defined in Clause 10.3.
Money Laundering Laws:	is defined in 7.1(s).
NOK:	Norwegian kroner, being the lawful currency of Norway.
Obligor:	the Issuers and each Guarantor; <u>provided</u> that "Obligor" shall not include any entity that has been released from its Guarantee pursuant to the Guarantee Agreement.
OFAC:	is defined in Clause 7.1(t).
Original Bond Loan Agreement:	the bond loan agreement originally dated 19 February 2013 between Cecon ASA, Rever Offshore AS, the Issuers and the Bond Trustee as subsequently amended and amended and restated.
Outstanding Bonds:	(i) in respect of any Tranche of Bonds, the

	aggregate outstanding principal amount of that Tranche; and (ii) in respect of all of the Bonds, the aggregate outstanding principal amount of all Tranches.
Parent Issuer:	Offshore Holding AS (Norwegian Company No [**]).
Paying Agent	the legal entity appointed by the Issuers to act as their paying agent in the Securities Depositary with respect to the Bonds.
Payment Date:	a date for payment of principal or interest under this Bond Loan Agreement. If a Payment Date is not a Banking Day, the relevant payments shall be made on the following Banking Day.
Permitted Financial Indebtedness	any Financial Indebtedness: (i) incurred under the Finance Documents; (ii) between any Obligors; or (iii) which is approved by Bondholders representing more than 50.00% of the total Outstanding Bonds.
Permitted Security:	Security over the assets of an Obligor which is approved by Bondholders representing more than 50.00% of the total Outstanding Bonds.
Regulation D:	Regulation D adopted by the U.S. Securities and Exchange Commission under the US Securities Act.
Regulation S:	Regulation S adopted by the U.S. Securities and Exchange Commission under the US Securities Act.
Rule 144A:	Rule 144A under the US Securities Act.
SDN List:	is defined in Clause 7.1(t).
Second Amendment and Restatement Agreement:	the second amendment and restatement agreement dated 5 December 2013 made between the Obligors (as

	defined therein) and the Bond Trustee, providing for, among other things, the amendment and restatement of this Bond Loan Agreement.
Securities Depository:	the securities depository in which each Issue is registered, being Verdipapirsentralen ASA (VPS) in Norway.
Securities Depository Act:	the Norwegian act of 2002 no. 64 regarding securities depository.
Security:	any encumbrance, mortgage, charge, pledge, hypothec, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Agent:	the Bond Trustee or any other bank or institution appointed to act as such pursuant to Clause 17.4.
Security and Covenant Defeasance:	Shall have the meaning given to it in Clause 18.2.
Security Documents:	any document creating, establishing, recording, confirming, evidencing or preserving or otherwise related to any Security relating to the Bonds Parent Issuer
Stamdata:	the web site www.stamdata.no , maintained by the Bond Trustee.
Subsidiary:	a company over which another company has Decisive Influence.
Subsidiary Issuers:	Cecon 1 and Cecon 3.
Tranche:	with respect to any class or series of Bonds, Bonds of such class or series which have identical terms, conditions and tranche designation. Notes of a single Tranche may be issued on different dates.
Tranche A Bonds:	the series of bonds pursuant to this Bond Loan Agreement constituting Offshore Holding AS Tranche A Senior Secured Bond Issue with ISIN NO [**].

Tranche A Issue Date:	the date agreed between the Parent Issuer and the Bond Trustee with respect to the first issuance of Tranche A Bonds.
Tranche A and D Maturity Date:	30 June 2020.
Tranche B and C Maturity Date:	30 September 2019
Tranche B2 Bonds:	the series of bonds pursuant to this Bond Loan Agreement constituting Cecon Shipping 1 AS Tranche B2 Senior Secured Bond Issue , with ISIN NO [001 069459.9].
Tranche B2 Issue Date:	14 November 2013.
Tranche C Bonds:	the series of bonds pursuant to this Bond Loan Agreement constituting Cecon Shipping 1 AS Tranche C Senior Secured Bond Issue with ISIN NO [**].
Tranche D Bonds:	the series of bonds pursuant to this Bond Loan Agreement constituting Cecon Shipping 3 AS Tranche C Senior Secured Bond Issue with ISIN NO [**].
Transaction Agreement:	the transaction agreement made between the Obligors and the Bond Trustee, providing for, among other things, the amendment and restatement of this Bond Loan Agreement.
US Exchange Act:	the U.S. Securities Exchange Act of 1934, as amended.
US Securities Act:	the U.S. Securities Act of 1933, as amended.
USD:	US Dollars, being the legal currency of the United States of America.
Vessels:	Hull 718 and Hull 719 (each a " Vessel "), to the extent the same constitute Bond Security.
Voting Bonds:	Outstanding Bonds less any Issuer's Bonds.

Written Resolution:	a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 17.5 (<i>Written Resolutions</i>).
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1.2 Construction. In this Bond Loan Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses and Attachments are references to the Clauses of and Attachments to this Bond Loan Agreement;
- (d) any reference to a time is a reference to Oslo time unless otherwise stated herein;
- (e) any reference to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) any reference to "**control**" means the power to appoint a majority of the board of directors or comparable governing body of the Parent Issuer or to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;
- (g) any reference to a "**person**" shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality);
- (h) any reference to an "**Issuer**" of the Bonds shall be a reference to the Parent Issuer, Cecon 1 or Cecon 3, as applicable; and
- (m) an Event of Default is "**continuing**" if it has not been remedied or waived.

2 The Bonds

- 2.1 Tranche A Bonds. Subject to the provisions of Clause 6 (*Conditions Precedent*), the Parent Issuer may, one or several times, issue Tranche A Bonds in an aggregate principal amount of up to USD 10,000,000 (U.S. Dollar ten million), plus any Additional PIK Bonds issued as Tranche A Bonds pursuant to Clause 9.1, plus any additional Tranche A Bonds approved by Bondholders representing more than 50.00% of the total Outstanding Bonds. The issue constituted by the Tranche A Bonds shall be an open issue. Accrued interest will be deducted from the subscription price in any subsequent issues.

The Tranche A Bonds shall be issued in denominations of USD 1,000.00 each and rank *pari passu* among themselves and in right of payment with all other senior indebtedness of the Parent Issuer.

The Tranche A Bonds will be described as the "Offshore Holding AS Tranche A Senior Secured Bond Issue".

The registration number (ISIN) of the Tranche A Bonds is NO [**].

The Parent Issuer shall use the net proceeds from any issue of Tranche A Bonds towards the general lawful purposes of the Group.

The Bondholders have the right to subscribe in any issue of Tranche A Bonds on a *pro rata* basis according to their aggregate holding of Bonds, and the exercise of such subscription rights shall be notified to the Parent Issuer in writing within 10 days of the receipt by the Bondholder of a notice in writing from the Parent Issuer that the Parent Issuer intends to issue Tranche A Bonds.

- 2.2 Tranche B2 Bonds. Cecon 2 issued the Tranche B2 Bonds on the Tranche B2 Issue Date in an aggregate principal amount of USD 8,000,000 (U.S. Dollar eight million). Pursuant to the terms of the Transaction Agreement, Cecon 1 has replaced Cecon 2 as the issuer of and principal debtor for the Tranche B2 Bonds.

The Tranche B2 Bonds were issued in denominations of USD 1.00 each and rank *pari passu* among themselves and with all other senior indebtedness of Cecon 1.

The Tranche B2 Bonds are described as the "Cecon Shipping 1 AS Tranche B2 Senior Secured Callable and Putable Bond Issue 2013/2015".

The registration number (ISIN) of the Tranche B2 Bonds is NO 001 069459.9.

- 2.3 Tranche C Bonds. Cecon 1 issued USD [**] of Tranche C Bonds on the Effective Date pursuant to the terms of the Transaction Agreement. Subject to the provisions of Clause 6 (*Conditions Precedent*), Cecon 1 may, one or several times, issue additional Tranche C Bonds in an aggregate principal amount of up to USD 35,000,000 (U.S. Dollar thirty five million), plus any Additional PIK Bonds issued as Tranche C Bonds pursuant to Clause 9.1, plus any additional Tranche C Bonds approved by Bondholders representing more than 50.00% of the total Outstanding Bonds. The issue constituted by the Tranche C Bonds shall be an open issue. Accrued interest will be deducted from the subscription price in any subsequent issues.

The Tranche C Bonds shall be issued in denominations of USD 1,000.00 each and rank *pari passu* among themselves and in right of payment with all other senior indebtedness of Cecon 1.

The Tranche C Bonds will be described as the "Cecon Shipping 1 AS Tranche C Senior Secured Bond Issue".

The registration number (ISIN) of the Tranche C Bonds is NO [**].

Cecon 1 shall use the net proceeds from any tap issue of Tranche C Bonds towards covering costs and expenses related to the completion, delivery and operation of Hull 718 and any activities incidental thereto.

The Bondholders have the right to subscribe in any tap issue of Tranche C Bonds on a pro rata basis according to their aggregate holding of Bonds, and the exercise of such subscription rights shall be notified to Cecon 1 in writing within 10 days of the receipt by the Bondholder of a notice in writing from Cecon 1 that Cecon 1 intends to issue Tranche C Bonds.

- 2.4 Tranche D Bonds. Cecon 3 issued USD [**] of Tranche D Bonds on the Effective Date pursuant to the terms of the Third Amendment and Restatement Agreement. Subject to the provisions of Clause 6 (Conditions Precedent), Cecon 3 may, one or several times, issue additional Tranche D Bonds in an aggregate principal amount of up to USD 180,000,000 (U.S. Dollar hundred eighty million), plus any Additional PIK Bonds issued as Tranche D Bonds pursuant to Clause 9.1, plus any additional Tranche D Bonds approved by Bondholders representing more than 50.00% of the total Outstanding Bonds. The issue constituted by the Tranche D Bonds shall be an open issue. Accrued interest will be deducted from the subscription price in any subsequent issues.

The Tranche D Bonds shall be issued in denominations of USD 1,000.00 each and rank pari passu among themselves and in right of payment with all other senior indebtedness of Cecon 3.

The Tranche D Bonds will be described as the "Cecon Shippng 3 AS Tranche D Senior Secured Bond Issue".

The registration number (ISIN) of the Tranche D Bonds is NO [**].

Cecon 3 shall use the net proceeds from any tap issue of Tranche D Bonds towards covering costs and expenses related to the completion, delivery and operation of Hull 719 and any activities incidental thereto.

The Bondholders have the right to subscribe in any tap issue of Tranche D Bonds on a pro rata basis according to their aggregate holding of Bonds, and the exercise of such subscription rights shall be notified to Cecon 3 in writing within 10 days of the receipt by the Bondholder of a notice in writing from Cecon 3 that Cecon 3 intends to issue Tranche D Bonds.

3 Listing

- 3.1 The Bonds will initially not be listed on an Exchange. An application may be made for listing on Oslo Børs or Oslo Børs ASA's Alternative Bond Market ("ABM") or the OTC-list in Oslo at the discretion of the applicable Issuer.

- 3.2 If the Bonds are listed, the applicable Issuer shall ensure that the Bonds remain listed until they have been discharged in full.

4 Registration in the Securities Depository

- 4.1 Each Tranche of Bonds shall prior to issuance be registered in the Securities Depository according to the Securities Depository Act and the conditions of the Securities Depository.
- 4.2 The Issuers shall ensure that correct registration in the Securities Depository is made and shall notify the Securities Depository of any changes in the terms and conditions of this Bond Loan Agreement. The Bond Trustee shall receive a copy of the notification. The registration may be executed by the Paying Agent.
- 4.3 The Bonds have not been registered under the US Securities Act, and the Issuers are under no obligation to arrange for registration of the Bonds or the Warrants under the US Securities Act.

5 Purchase and transfer of Bonds

- 5.1 Payment for the Bonds shall be made according to the relevant application agreement or otherwise agreed between the potential Bondholders and the relevant Issuer.
- 5.2 Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.
- 5.3 Notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under this Bond Loan Agreement.

6 Conditions Precedent

- 6.1 The issuance of any series of Additional Bonds will be subject to the Bond Trustee (on behalf of the Bondholders) having received the documents listed below, in form and substance reasonably satisfactory to it at least one Banking Day prior to the relevant issue date:
- (a) Copy of a resolution of the board of directors of the Issuer approving the relevant issue of the Additional Bonds; and
 - (b) such other documentation as the Bond Trustee may reasonably request.

7 Representations and Warranties

7.1 The Obligors jointly and severally represent and warrant to the Bond Trustee on behalf of the Bondholders that:

- (a) each of the Obligors is a limited liability company, duly incorporated and validly existing under the law in which it is registered, and has the power to own its assets and carry on its business as presently conducted;
- (b) each of the Obligors has the power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of the Finance Documents;
- (c) the Finance Documents and the Bonds constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of the parties thereto (other than the Bond Trustee), enforceable in accordance with their terms, and (save as provided for therein) no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against the Obligors and/or for any Bond Security to constitute a valid and enforceable, perfected security interest in the property purported to be subject to such a security interest; except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);
- (d) the entry into and performance by each Obligor of the Finance Documents to which it is a party and the transactions contemplated thereby and the Bonds do not and will not conflict with (i) any present law or regulation or judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on that Obligor;
- (e) after giving effect to each Issue, no Event of Default exists; and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition, or any combination of the foregoing) would constitute a default under any document which is binding on the Obligors or any of their assets, or which may have a material adverse effect on the ability of the Obligors to perform their obligations under the Finance Documents;
- (f) all authorisations, consents, licenses or approvals of all persons (including Governmental Authorities) required for the Obligors in connection with the execution, performance validity or enforceability of the Finance Documents and the transactions contemplated thereby, have been obtained and are valid;

- (g) all authorisations, consents, licenses or approvals of Governmental Authorities required for the Obligors to carry on their businesses as presently conducted, have been obtained and are in full force and effect;
- (h) no litigation, arbitration or administrative proceeding, including with respect to environmental matters, is pending or, to the best of the Obligors' knowledge, threatened against any Obligor which would materially and adversely affect the affairs, assets or financial condition of that Obligor or its ability to perform its obligations under the Finance Documents;
- (i) the Obligors are not required to make any deduction or withholding from any payment which they may become obliged to make to the Bond Trustee (on behalf of the Bondholders) under the Finance Documents;
- (j) the Issuers' payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other secured, unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
- (k) each of the Obligors has conducted and is conducting its business in compliance with all applicable laws (including all applicable environmental laws and regulations) of each jurisdiction in which its business is carried on, other than acts of non-compliance that would not materially and adversely affect the affairs, assets or financial condition of that Obligor or its ability to perform its obligations under the Finance Documents;
- (l) the most recent Financial Statements and Interim Accounts of the Obligors indicate fairly, in all material respects, the consolidated financial position of the Obligors and their Subsidiaries as of the dates indicated, and the results of their operations and their cash flows for the periods therein specified, and have been prepared in accordance with [GAAP][IFRS];
- (m) there are no other material liabilities of the Parent Issuer or its Subsidiaries (absolute, accrued, contingent or otherwise), except as disclosed in the Financial Statements, and there has been no material change (whether actual, anticipated, contemplated or threatened, financial or otherwise) since the date of the most recent Financial Statements which would materially and adversely affect the affairs, assets or financial condition of that Obligor or its ability to perform its obligations under the Finance Documents;
- (n) none of the Obligors has distributed or referred to and will not distribute or refer to any written communications (as defined in Rule 405 of the US Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Bonds;
- (o) none of the Obligors is and none of the Obligors owns or controls an open-end investment company, closed-end investment company, unit investment trust or

face-amount certificate company that is or is required to be registered under Section 8 of the U.S. Investment Company Act of 1940, as amended;

- (p) none of the Obligors, their Subsidiaries or any person acting on their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Bonds or has taken or will take any action (including sale of securities into the United States) that would cause the exemption afforded by Rule 144A or Regulation S to be unavailable for offers and sales of the Bonds ;
- (q) none of the Obligors or their Subsidiaries or any person acting on their behalf has offered or will offer to sell, or has solicited or will solicit offers to buy, the Bonds in the United States or to, or for the account or benefit of, U.S. Persons, by means of any form of general solicitation or general advertising (as those terms are used in Regulation D) or in any manner involving a public offering within the meaning of the US Securities Act;
- (r) none of the Obligors nor, to the knowledge of the Obligors, any director, officer, agent, employee or affiliate of any Obligors is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable anticorruption laws, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term may be defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of applicable anticorruption laws; and the Obligors and, to the knowledge of the Obligors, their affiliates have conducted their businesses in compliance with all applicable anticorruption laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith;
- (s) the operations of the Obligors are and have been conducted at all times in compliance with applicable money laundering statutes and the rules and regulations thereunder (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authorities or any arbitrator involving any Obligor with respect to the Money Laundering Laws is pending or, to the knowledge of the Obligors, threatened;
- (t) none of the Obligors nor, to the knowledge of the Obligors, any director, officer, agent, employee or affiliate of any Obligor is currently included on the List of Specially Designated Nationals and Blocked Persons (the "**SDN List**") dated the date hereof and made available to the public on the internet site maintained by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Obligors will not directly or indirectly use the proceeds of the Bonds, or lend, contribute or otherwise make available such proceeds to any Subsidiary, any

joint venture partner or other person, for the purpose of financing the activities of any person currently included on the SDN List maintained by OFAC;

- (u) each Obligor and its Subsidiaries has filed, has caused to be filed or has been included in all tax returns that are required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties, and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with [GAAP] have been provided on the books of the relevant Obligor or its Subsidiary); no tax lien has been filed, and, to the knowledge of the Obligors, no claim is being asserted, with respect to any such tax, fee or other charge; no Obligor or any of its Subsidiaries is party to any tax sharing agreement;
- (v) Cecon Canada is the rightful and legal owner of Hull 718 and Cecon 3 is the rightful and legal owner of Hull 719;

7.2 The representations and warranties set out in Clause 7.1 are made on the Effective Date, and shall be deemed to be repeated on each Issue Date.

7.3 In the event of a misrepresentation, the Obligors shall jointly and severally indemnify the Bond Trustee for any economic losses suffered by it and by the Bondholders after the initial Issue Date and during the term of the Bonds, as a result of its and their reliance on the representations and warranties provided by the Obligors herein.

8 Status of the Bond and Bond Security, Permitted Security and Permitted Financial Indebtedness

8.1 The Bonds shall constitute senior debt obligations of the Issuers. The Bonds shall rank ahead of all subordinated capital of the relevant Issuer, and shall rank *pari passu* with all other senior obligations of the Issuers other than obligations which are mandatorily preferred by law. Each Guarantee shall rank ahead of all subordinated capital of the relevant Guarantor and shall rank *pari passu* with all other senior obligations of the relevant Guarantor other than obligations which are mandatory preferred by law.

8.2 The Bonds, including interest and expenses, shall be secured by the Bond Security and shall be guaranteed by the Guarantors pursuant to the Guarantees.

8.3 Any Permitted Security which secures any Financial Indebtedness shall only rank ahead of the Bond Security if such ranking is approved by Bondholders representing more than 50.00% of the total Outstanding Bonds. An Intercreditor Agreement shall be entered into with respect to any Permitted Security if required by an Issuer, a Bondholder or the Bond Trustee.

- 8.4 The obligations and liabilities of any Obligor under or in relation to Permitted Financial Indebtedness shall only rank ahead of the obligations and liabilities of that Obligor under or in relation to the Finance Documents if such ranking is approved by Bondholders representing more than 50.00% of the total Outstanding Bonds. An Intercreditor Agreement shall be entered into with respect to any Permitted Financial Indebtedness if required by an Issuer, a Bondholder or the Bond Trustee.

9 Interest

- 9.1 The Bonds shall accrue interest at a rate of 6.0% per annum from and including, in respect of all Bonds other than the Tranche A Bonds, the Effective Date and, in respect of the Tranche A Bonds, from and including the Tranche A Bonds Issue Date, and shall be payable annually on 31 December each year. Payment of interest shall be settled through the issuance of additional Bonds (the "**Additional PIK Bonds**") in the same Tranche of Bonds to which the relevant interest amounts relate to the relevant Bondholders, thereby increasing the principal amount of each relevant Tranche of Bonds by an amount equal to the accrued interest on the then outstanding Bonds of each Tranche, as may be adjusted pursuant to this Clause 9.1. Any such issuance of Additional PIK Bonds shall be made by the Paying Agent and shall not require any action on the part of the Obligors or the Bondholders. The number of Additional PIK Bonds in each relevant Tranche of Bonds allocated to a Bondholder holding Bonds in that Tranche shall be made by multiplying (x) (i) the total accrued interest amount for Bonds in that Tranche for the relevant interest period divided by (ii) the face value of each Bond in that Tranche and (y)(i) the number of Bonds in the relevant Tranche held by that Bondholder divided by (ii) the total number of Bonds in the relevant Tranche, provided that the total number of Additional PIK Bonds in any Tranche of Bonds allocated to a Bondholder shall be rounded down to the nearest whole number of Bonds and any residual interest amount shall be forfeited.
- 9.2 Accrued interest on the Bonds not settled through the issuance of Additional PIK Bonds shall be payable on the earlier of (i) full or partial repayment, prepayment or redemption of the relevant Bonds as set forth in Clause 10.2, (ii) the acceleration of the relevant Bonds pursuant to Clause 15.3, (iii) the Tranche A and D Maturity Date in respect of the Tranche A Bonds and the Tranche D Bonds and (iv) the Tranche B and C Maturity Date in respect of the Tranche B2 Bonds and the Tranche C Bonds.
- 9.3 Interest Calculations. Interest with respect to the Bonds shall be calculated on the basis of a year of 360 days with twelve 30-day months, unless:
- (a) the last day of the period is the 31st day of a month but the first day of the period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or

- (b) the last day of the period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.

10 Maturity of the Bonds, Call Option, Mandatory Redemption

10.1 Maturity.

- (a) The Tranche A Bonds (including all Additional Bonds and all Additional PIK Bonds issued in such Tranche) and the Tranche D Bonds (including all Additional Bonds and all Additional PIK Bonds issued in such Tranche) will mature in whole on the Tranche A and D Maturity Date at par (100% of the principal face amount) plus accrued and unpaid interest and without penalty or premium.
- (b) The Tranche B2 Bonds (including all Additional PIK Bonds issued in such Tranche) and the Tranche C Bonds (including all Additional Bonds and all Additional PIK Bonds issued in such Tranche) will mature in whole on the Tranche B and C Maturity Date at par (100% of the principal face amount) plus accrued and unpaid interest and without penalty or premium.

10.2 Call Option.

- (a) Each Issuer may at any time (on one or several occasions) redeem all or part of any Tranche of Bonds plus accrued and unpaid interest on such Bonds and without any premium or penalty (hereinafter referred to as a "**Call Option**").
- (b) Should an Issuer exercise any Call Option, the Bond Trustee and the Bondholders must be notified of this (the Bondholders in writing via the Securities Depository) no later than ten Banking Days before the date of redemption.
- (c) Partial redemption of any Tranche of Bonds must be carried out *pro rata* among the Bondholders holding such Bonds (in accordance with the procedures of the Securities Depository).
- (d) Bonds of any Tranche redeemed by an Issuer in accordance with this clause shall be discharged against the Outstanding Bonds in respect of that Issue.

10.3 Mandatory Redemption due to a Loss or Sale of a Vessel.

- (a) If, in respect of any Vessel (in each case, other than a forced sale or voluntary sale initiated by the Bond Trustee due to an Event of Default or a potential Event of Default):
 - (i) such Vessel (or a material portion thereof) is assigned or sold or disposed of; or

- (ii) the Parent Issuer's shares in the relevant Subsidiary Issuer are assigned or sold or disposed of or its respective ownership interest therein otherwise is diluted (other than pursuant to a reorganization or similar transaction pursuant to which each Subsidiary Issuer remains a wholly-owned direct or indirect Subsidiary of the Parent Issuer and each relevant direct or indirect Subsidiary of the Parent Issuer is or becomes a Guarantor); or
- (iii) Cecon 1's shares in Cecon Canada are assigned or sold or disposed of or its respective ownership interest therein otherwise is diluted (other than pursuant to a reorganization or similar transaction pursuant to which Cecon Canada remains a wholly-owned direct or indirect Subsidiary of Cecon 1 and each relevant direct or indirect Subsidiary of Cecon 1 is or becomes a Guarantor); or
- (iv) there is a material impairment or constructive loss of the Vessel,

(each a "**Loss/Sale Mandatory Redemption Event**"), the relevant Issuer (being the (i) Parent Issuer and Cecon 3 in respect of Hull 719 and (ii) Cecon 1 with respect to Hull 718) shall promptly, and in any event within ten Banking Days of such Loss/Sale Mandatory Redemption Event, redeem 100% of the Bonds of the relevant Issuer at par (100% of the principal face amount) (a "**Loss/Sale Mandatory Redemption**") plus accrued and unpaid interest, but without any other premium or penalty.

- (b) Other than with respect to the material impairment or constructive loss of a Vessel, the Bond Trustee and the Bondholders must be informed of any Loss/Sale Mandatory Redemption (the Bondholders in writing via the Securities Depository) no later than ten Banking Days before the date of the Loss/Sale Mandatory Redemption. In the case of the material impairment or constructive loss of a Vessel, the Bond Trustee and the Bondholders must be informed promptly upon the occurrence of any such Loss/Sale Mandatory Redemption (the Bondholders in writing via the Securities Depository).

10.4 Mandatory Redemption by use of Excess Cash.

- (a) The Parent shall ensure that all net profits, calculated as the consolidated net profits of the Group for any financial quarter by reference to cash items only, exceeding USD 1,000,000 shall be used for redemption of Bonds *pro rata* across all outstanding Tranches of Bonds based on the outstanding principal amount of Bonds in each Tranche. The redemption shall be done within 60 days after the last Banking Days of the financial quarter to which the profits relate.
- (b) In case of redemption of Bonds under this clause, the Bond Trustee and the Bondholders must be notified of this (the Bondholders in writing via the Securities Depository) no later than ten Banking Days before the date of redemption.

- (c) Partial redemption of any Tranche of Bonds must be carried out *pro rata* among the Bondholders holding such Bonds (in accordance with the procedures of the Securities Depository).
- (d) Bonds of any Tranche redeemed by an Issuer in accordance with this clause shall be discharged against the Outstanding Bonds in respect of that Issue.

11 Payments

11.1 Covenant to pay.

- (a) The Obligors will on each Payment Date (or any other due date pursuant to any Finance Document) unconditionally pay to or to the order of the Bond Trustee all amounts due under this Bond Loan Agreement or any other Finance Document.
- (b) The covenant contained in Clause 11.1(a) shall be for the benefit of the Bond Trustee and the Bondholders.

11.2 Payment mechanics.

- (a) If no specific order is made by the Bond Trustee under Clause 11.1(a), the Issuers shall pay all amounts due to the Bondholders under the Bonds and this Bond Loan Agreement or any other Finance Document by crediting the bank account nominated by each Bondholder in connection with its securities account in the Securities Depository.
- (b) Payment shall be considered to have been made once the amount has been credited to the bank which holds the bank account nominated by the Bondholder in question, but if the paying bank and the receiving bank are the same, payment shall be considered to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (c) In case of irregular payments, the Bond Trustee may instruct any Issuer or Bondholders of other payment mechanisms than described in Clause 11.2(a) or 11.2(b) above. The Bond Trustee may also obtain payment information regarding Bondholders' accounts from the Securities Depository or Account Managers.
- (d) Subject to Clause 11.3, payment by the Issuers in accordance with this Clause 11.2 shall constitute good discharge of its obligations under Clause 11.1(a).

11.3 Currency.

- (a) If the Bonds are denominated in other currencies than NOK, each Bondholder shall provide the Paying Agent (either directly or through its Account Manager) with specific payment instructions, including foreign exchange bank account details.

- (b) Except as otherwise expressly provided, all amounts payable under this Bond Loan Agreement and any other Finance Document shall be payable in the same currency as the Bonds are denominated in. If, however, a Bondholder has not provided account details as set out in Clause 11.2(a) at least five Banking Days prior to a Payment Date, the cash settlement will be exchanged into NOK and credited to the NOK bank account registered with the Bondholder's account in the Securities Depository.
- (c) Amounts payable in respect of costs, expenses, taxes and other liabilities shall be payable in the currency in which they are incurred.

11.4 Set-off and counterclaims.

- (a) No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to this Bond Loan Agreement or any other Finance Document.

11.5 Default Interest.

- (a) In the event that any payment of principal or interest in respect of the Bonds is not made on the applicable Payment Date, the Outstanding Bonds shall bear (additional) interest from such Payment Date at an interest rate of 5.00% per annum.
- (b) The Outstanding Bonds shall bear interest as mentioned above until payment is made, whether or not the Bonds are declared to be in default pursuant to any of Clauses 15.2 through 15.5.

11.6 Partial Payments. If the Bond Trustee or the Paying Agent receives a payment that is insufficient to discharge all the amounts then due and payable under the Finance Documents, that payment shall be applied in the following order:

- (a) *first*, in or towards payment of any unpaid fees, costs and expenses of the Bond Trustee under the Finance Documents; and
- (b) *secondly*, in or towards payment of any principal or accrued interest due but unpaid under this Bond Loan Agreement, *pro rata* and without any preference or priority of any kind.

12 **Issuers' Acquisition of Issuer's Bonds**

- 12.1 The Issuers have the right to acquire and own Issuer's Bonds.
- 12.2 Issuer's Bonds may, at the relevant Issuer's discretion, be retained by the Issuer, sold or used for partial redemption of the Outstanding Bonds.

13 Covenants

- 13.1 From the Effective Date until the repayment in full of all Bonds and all other amounts payable by the Issuers pursuant to this Bond Loan Agreement, the Obligors shall:
- (a) immediately inform the Bond Trustee of any Default or Event of Default as well as of any circumstances which such Issuer believes is reasonably likely to lead to a Default or Event of Default;
 - (b) forward to the Bond Trustee Financial Statements and Interim Accounts as soon as they are available, and not later than 120 days after the end of the financial year and not later than 45 days after the end of the relevant interim report period;
 - (c) at the request of the Bond Trustee send a report outlining the balance (on a Tranche-by-Tranche basis) of any Issuer's Bonds;
 - (d) [after the first Delivery Date has occurred, have an aggregate minimum of USD 5,000,000 of cash in hand or in bank accounts];
 - (e) forward to the Bond Trustee copies of any creditors' notifications of any Obligor, including but not limited to, mergers, demergers and reduction of shareholders capital;
 - (f) at the request of the Bond Trustee provide the documents and information necessary to maintain the listing and quotation of the Bonds s on the Exchange (if applicable) and to otherwise enable the Bond Trustee to carry out its rights and duties pursuant to this Bond Loan Agreement and the other Finance Documents and applicable laws and regulations;
 - (g) within a reasonable time limit provide such information about the Obligor's financial condition as the Bond Trustee reasonably requests;
 - (h) immediately upon becoming aware of the same, notify the Bond Trustee of any event that would reasonably be expected to hinder or prevent the construction of Vessels;
 - (i) upon the formation of any new Subsidiary of the Parent Issuer, promptly procure:
 - (i) that such Subsidiary grants an unconditional, irrevocable and joint and several on-demand Guarantee in favour of the Bond Trustee securing all payment obligations of the Issuers under the Finance Documents;
 - (ii) that such Subsidiary becomes a party to all relevant Security Documents and makes any and all necessary filings and registrations and takes all other actions necessary to grant in favour of the Bond Trustee a first-priority security interest in substantially all assets of such Subsidiary;

- (iii) that the applicable Issuer grants a first priority pledge over the shares in such Subsidiary; and
- (iv) the delivery of legal opinions from such jurisdictions and advisers as the Bond Trustee may reasonably require, confirming *inter alia* due execution and enforceability of such Guarantee and due execution, perfection and enforceability of the grant of all applicable security interests,

in each case, in form and substance acceptable to the Bond Trustee;

- (j) for the benefit of any Bondholder or potential purchaser thereof, for so long as any of the Bonds are outstanding and are "restricted securities" within the meaning of Section (a)(3) of Rule 144 under the US Securities Act, provide to any Bondholder and any prospective purchaser thereof designated by such holder for so long as such requirement is necessary in order to permit holders of Bonds to effect resales under Rule 144A, upon the request of such holder or purchaser, at or prior to the time of purchase, the information required to be provided to such holder or prospective purchaser by Section (d)(4) of Rule 144A unless it is exempt from the reporting requirements of the US Exchange Act pursuant to Rule 12g3-2(b) under the US Exchange Act or files reports and other information with the U.S. Securities and Exchange Commission under Section 13 or 15(d) of the US Exchange Act;
- (k) if any Issuer and/or any Bonds are rated, or if any such rating changes, without being requested to do so, so inform the Bond Trustee;
- (l) without being requested to do so, inform the Bond Trustee of changes in the registration of any Bonds in the Securities Depository; and
- (m) within a reasonable time, provide such information about the Obligors' business, assets and financial condition, and take any and all such further actions, as the Bond Trustee may reasonably request.

13.2 From the Effective Date until the repayment in full of all of the relevant Bonds and all other amounts payable by the Issuers pursuant to this Bond Loan Agreement, unless the Bond Trustee (with the approval of the Bondholders as required by Clause 16) has agreed otherwise in writing, the Obligors shall:

- (a) not, and ensure that no other Obligor shall, cease to carry on its business;
- (b) not, and shall ensure that no other Obligor shall, incur or permit to be outstanding any Financial Indebtedness, except for Permitted Financial Indebtedness;
- (c) not declare or make any dividend payment, reduction of share capital, repurchase of shares (including total return swaps or any transaction with a similar effect) or other distributions or loans to its shareholders (each, a "**Distribution**"), except for

Distributions from Subsidiary Issuers to the Parent Issuer or Distributions from Cecon Canada to Cecon 1;

- (d) supervise the completion of the Vessels in a prudent and customary manner;
- (e) not take any action which may jeopardize the legality, validity or enforceability of the Bond Security;
- (f) not permit any Security to exist in respect of any of the assets of the Obligors, except in each case for (i) the Bond Security, (ii) any Permitted Security and (iii) any Security arising by operation of law in the ordinary course of business; provided that it does not put the Bond Security at risk of not being, or continuing to be, a Security of the nature and of the rank provided for in the Finance Documents.
- (g) use commercially reasonable efforts to ensure that the Delivery Date of each Vessel occurs as quickly as practicable;
- (h) not, and shall ensure that no other Obligor shall, enter into or suffer to exist, any agreement that limits the ability of (x) any Obligor to create, incur, assume or suffer to exist Security on its property or assets or (y) any Obligor to declare or pay dividends or other distributions in respect of its capital stock, except for:
 - (i) any Finance Document;
 - (ii) customary provisions in contracts entered into in the ordinary course of business; or
 - (iii) restrictions imposed by applicable law; and
- (i) not, and shall ensure that no other Obligor shall, amend any of its constitutional documents or other material agreements in any manner that is materially adverse to the Bondholders' interests.

14 Fees and Expenses

- 14.1 The Obligors shall pay an annual fee to the Bond Trustee, the amount of which is set out in separate agreements between each of the Issuers and the Bond Trustee.
- 14.2 The Obligors shall cover all expenses of the Bond Trustee (and any separate Security Agent) in connection with this Bond Loan Agreement and the other Finance Documents, including expenses incurred in connection with the negotiation, preparation, execution and enforcement of this Bond Loan Agreement and the other Finance Documents, listing of the Bonds on the Exchange (as applicable) and registration and administration of the Instruments in the Securities Depository in accordance with the agreement between the Obligors and the Securities Depository. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from any Obligor

or any other person, irrespective of such funds being subject to Security under a Finance Documents, to set-off and cover any such costs and expenses.

- 14.3 The Obligors shall cover any document fee and other public fees in connection with this Bond Loan Agreement (and any security for this Bond Loan Agreement). Any public fees or taxes on sales of the Bonds in the secondary market shall be paid by the relevant Bondholders, unless otherwise decided by law or regulation.
- 14.4 The Obligors are responsible for withholding any withholding tax imposed by applicable law on any payments to the Bondholders. If the Obligors are required by law to withhold any withholding tax from any payment under any Finance Document:
 - (a) the amount of the payment due from the Obligors shall be increased to such amount which is necessary to ensure that the Bondholders receive a net amount which is (after making the required withholding) equal to the payment which would have been due if no withholding had been required; and
 - (b) the Obligors shall at the request of the Bond Trustee deliver to the Bond Trustee evidence that the required tax reduction or withholding has been made.
- 14.5 If any withholding tax is imposed due to subsequent changes in applicable law after the date of this Bond Loan Agreement, the Obligors shall have the right to call all but not some of the Bonds (including all Additional Bonds and all Additional PIK Bonds) at par (100% of the principal face amount). Such call shall be notified by the Obligors in writing to the Bond Trustee and the Bondholders at least ten Banking Days prior to the settlement date of the call.
- 14.6 Fees, costs and expenses payable to the Bond Trustee (or the Security Agent) which, due to the Obligors' insolvency or similar circumstances, are not reimbursed in any other way may be covered by making an equivalent reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection with the restructuring or default of the Issues and the enforcement of any Security.
- 14.7 In addition to the fee of the Bond Trustee pursuant to Clause 14.1 and normal expenses pursuant to Clauses 14.2 and 14.3, the Obligors shall on demand cover extraordinary expenses incurred by the Bond Trustee in connection with this Bond Loan Agreement and the other Finance Documents, as determined in separate agreement between the Obligors and the Bond Trustee, but including, for the avoidance of doubt, the reasonable costs and expenses of the Bond Trustee's professional advisors.

15 Events of Default

- 15.1 This Bond Loan Agreement may be declared to be in default upon the occurrence of any of the following events (each, an "**Event of Default**"):

- (a) any Obligor shall fail to pay any interest or principal or any other amount payable under any Finance Document in each case on the applicable Payment Date; provided, however, that any such failure shall not constitute an Event of Default if (x) it is obvious to the Bond Trustee that the Obligors will remedy the failure within five Banking Days, and (y) such failure is actually remedied within five Banking Days;
- (b) any Obligor shall fail to duly perform any covenant or obligation (other than those referred to in Clauses 15.1(a)) to be performed under the Finance Documents and such failure is not remedied within 30 days after notice thereof is given to the Issuers by the Bond Trustee;
- (c) if for any Obligor:
 - (i) any Financial Indebtedness is not paid when due nor within any originally applicable grace period;
 - (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);
 - (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), except to the extent such creditor has provided a permanent waiver of its right to declare such Financial Indebtedness due and payable,

always provided that a threshold in the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above of a total of NOK 30 million, or the equivalent thereof in other currencies, shall apply.

- (d) if, for any Obligor;
 - (i) it is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (ii) the value of the assets (both at fair value and present fair saleable value) is less than its liabilities (taking into account contingent, prospective and unliquidated liabilities);
 - (iii) a moratorium is declared; or

- (iv) a substantial part of its assets are impounded, confiscated or subject to distraint;
- (e) if, for any Obligor, any corporate action, legal proceeding or other procedure or step (or any analogous procedure or step is taken in any jurisdiction) is taken in relation to:
 - (i) 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 solvent liquidation or reorganization;
 - (ii) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on any Obligor's ability to perform its payment obligations hereunder;
 - (iii) 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
 - (iv) enforcement of any security over any of its assets;
- (f) any representation or statement made or deemed to be made by the Obligors in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (g) if there is entered against any Obligor a final judgment or order for the payment of money in an aggregate amount exceeding NOK 30 million (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and does not deny or fail to confirm coverage);
- (h) if any Vessel has not obtained employment at available market rates within 90 days of its Delivery Date;
- (i) the Delivery Date for Hull 718 has not occurred on or prior to 31 December 2018;
- (j) the Delivery Date for Hull 719 has not occurred on or prior to 31 December 2019;
- (k) any other event or circumstance occurs which, in the reasonable opinion of the Bond Trustee, after consultations with the Obligors, would have a material and adverse effect on the affairs, assets or financial condition of any Obligor or the ability of any Obligor to perform its obligations under the Finance Documents.

15.2 In the event that one or more Events of Default occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare all Outstanding Bonds, including interest and costs, to be in default and due for immediate payment and may exercise all rights and remedies pursuant to the Finance Documents or applicable law. The Bond Trustee may at his discretion, on behalf of the Bondholders, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under this Bond Loan Agreement and any other Finance Document.

15.3 In the event that one or more Events of Default occurs and is continuing and subject to the provisions of Clause 17:

(a) the Bond Trustee shall declare all Outstanding Bonds, including all interest and costs, to be in default and due for payment if:

- (i) the Bond Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of all Outstanding Bonds, and relevant Bondholders' Meetings have not decided on other solutions; or
- (ii) a Bondholders' Meeting has decided to declare all Outstanding Bonds to be in default and due for payment.

In either case the Bond Trustee shall on behalf of the Bondholders take every measure necessary to recover the Outstanding Bonds (subject to Clauses 8.3 and 8.4). The Bond Trustee can request satisfactory security for anticipated expenses from those Bondholders who requested that the declaration of default be made pursuant to sub-clause (i) above and/or those who voted in favour of the decision pursuant to sub-clause (ii) above.

(b) in case of any Event of Default with respect to any Tranche consisting of a failure to pay interest or principal on Bonds of that Tranche on any relevant scheduled payment date, the Bond Trustee shall declare all Outstanding Bonds of that Tranche, including all interest and costs in respect of that Tranche, to be in default and due for payment if:

- (i) the Bond Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Bonds of that Tranche, and a Bondholders' Meeting in respect of that Tranche has not decided on other solutions; or
- (ii) the Bondholders' Meeting in respect of that Tranche has decided to declare the Outstanding Bonds of that Tranche to be in default and due for payment.

In either case the Bond Trustee shall on behalf of the Bondholders take every measure necessary to recover the Outstanding Bonds of that Tranche (subject to Clauses 8.3 and 8.4). The Bond Trustee can request satisfactory security for

anticipated expenses from those Bondholders who requested that the declaration of default be made pursuant to sub-clause (i) above and/or those who voted in favour of the decision pursuant to sub-clause (ii) above.

- 15.4 In the event that the Bond Trustee declares any of the Bonds to be in default and due for payment pursuant to the terms of Clauses 15.2 or 15.3, the Bond Trustee shall immediately deliver to the Issuers a notice demanding payment of all interest and principal due to the Bondholders in respect of the Bonds declared to be in default and due for payment, including redemption premium (if any) and interest (if any) on overdue amounts and expenses.

16 The Bondholders

16.1 Bond Agreement binding on all Bondholders.

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of this Bond Loan Agreement and each other Finance Document, without any further action required to be taken or formalities to be complied with.
- (b) This Bond Loan Agreement shall be publicly available from the Bond Trustee or the Issuer.
- (c) The Bond Trustee is always acting with binding effect on behalf of the Bondholders.

16.2 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 Issuers or any other party in relation to any of the liabilities of the Issuers or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with this Bond Loan Agreement, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from this Bond Loan Agreement, including any right to exercise a 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 reasonably necessary for the purpose exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder who does not comply with such request.

16.3 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 provide proof of ownership of the Bonds reasonably 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 16.3 (*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.

17 Bondholders' decisions

17.1 Authority of the Bondholders' Meeting.

- (a) Subject to the power of the Bond Trustee to take certain action as set out in Clause 18.1 (*The role and authority of the Bond Trustee*), if a resolution by or an approval of the Bondholders holding Bonds of a particular Tranche or of all Outstanding Bonds under this Bond Loan Agreement is required, such resolution may be passed at a Bondholders' Meeting in respect of Bonds issued under that Tranche or all Outstanding Bonds under this Bond Loan Agreement, as applicable. Except as expressly provided to the contrary in the Finance Documents, if a resolution by, or an approval of the Bondholders is required, resolution of such shall be passed at a Bondholders' Meeting in respect of all Outstanding Bonds. Resolutions passed at a Bondholders' Meeting will be binding upon all Bondholders of that Tranche or all Outstanding Bonds under this Bond Loan Agreement, as applicable.
- (b) In order to form a quorum, at least half (1/2) of the Bonds of the relevant Tranche or of the face value of all Outstanding Bonds under this Bond Loan Agreement, as applicable, must be represented at the meeting, subject to Clause 17.4 (*Repeated Bondholders' Meeting*). If less than half (1/2) of the Bonds of the relevant Tranche or of the face value of all Outstanding Bonds under this Bond Loan Agreement, as applicable, are represented, the Bondholders' Meeting shall be held and voting completed, but such voting shall be solely for purposes of specifying the result thereof in the summons for any repeated Bondholders' Meeting as set forth in paragraph (a) of Clause 17.4 (*Repeated Bondholders' Meeting*).
- (c) Subject to paragraph (e) below, and unless otherwise explicitly stated in the Finance Documents, all approvals, waivers and other resolutions to be made by

the Bondholders shall be made and voted for in a single joint Bondholders' Meeting for all Tranches under this Bond Loan Agreement.

- (d) Resolutions shall be passed by simple majority of all Voting Bonds or of the Voting Bonds of the relevant Tranche, as applicable, represented at the Bondholders' Meeting, unless otherwise set forth in paragraph (e) below.
- (e) In the following matters, a majority of at least 75% of the Voting Bonds of the relevant Tranche(s) represented at a Bondholders' Meeting is required:
 - (i) any amendments, supplements or waivers regarding the principal, interest rate or stated time for payment of interest, tenor, redemption price and any other reduction of any amount payable in respect of the Bonds in that Tranche or any impairment of the rights of the Bonds of that Tranche to receive payment of principal or interest on or after the relevant scheduled payment date;
 - (ii) waiving an Event of Default consisting of the failure to pay principal or interest in respect of Bonds in that Tranche on the relevant scheduled payment date; and
 - (iii) any release of any payment obligations of any Obligor in respect of the Bonds in that Tranche or the transfer of any such obligations to another person or any other release or transfer of such obligations in a manner adverse to the holders of the Bonds in that Tranche; and
 - (iv) any amendment, supplement or change to the provisions of this paragraph (e).

always provided that if the proposed changes affect more than the relevant Tranche, the proposed changes must be approved by a Bondholders' Meeting of the other affected Tranche(s) with the same majorities before entry into force.

- (f) A Bondholders' Meeting in respect of Bonds issued under a particular Tranche may not adopt resolutions which may give certain Bondholders of that Tranche an unreasonable advantage at the expense of other Bondholders of that Tranche.
- (g) A Bondholders' Meeting in respect of all Outstanding Bonds under this Bond Loan Agreement may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (h) Any resolution that disproportionately adversely impacts the rights or obligations of a particular Tranche of Bonds shall require the approval of 75% of the Bondholders of such Tranche.
- (i) A Bondholders' Meeting may attach conditions to its decisions.

17.2 Procedure for arranging a Bondholders' Meetings.

- (a) A Bondholders' Meeting in respect of any Tranche shall be held at the request of:
 - (i) an Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds of that Tranche;
 - (iii) the Exchange, if the Bonds of that Tranche 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.
- (b) A Bondholders' Meeting in respect of all Outstanding Bonds under this Bond Loan Agreement shall be held at the request of:
 - (i) an Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds under this Bond Loan Agreement; or
 - (iii) the Bond Trustee.
- (c) A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be resolved.
- (d) If the Bond Trustee has not summoned a Bondholders' Meeting ten (10) Banking Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraphs (a) or (b) (as applicable) and (c) above, then the requesting party may itself call the Bondholders' Meeting.
- (e) Summons to a Bondholders' Meeting must be sent no later than ten (10) Banking Days prior to the proposed date of the Bondholders' Meeting. The summons shall be sent to all Bondholders registered in the Securities Depository at the time the summons is sent from the Securities Depository. If the Bonds are listed, the relevant Issuer(s) 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).
- (f) The summons shall 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 this Bond Loan

Agreement, a description of the proposed amendments must be set out in the summons.

- (g) Items which have not been included in the summons may not be put to a vote at the Bondholders' Meeting.
- (h) By written notice to the relevant Issuer(s), the Bond Trustee may prohibit the Issuer(s) from acquiring or dispose of Bonds during the period from the date of the summons until the date of the Bondholders' Meeting unless this would constitute a breach by the relevant Issuer(s)' obligations pursuant to Clause 11.1 (*Covenant to pay*).
- (i) The Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (d) above applies, by the person convening the Bondholders' Meeting (however to be held in Oslo). The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee (the "**Chairman**"). If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder or a Bondholder holding Bonds of the relevant Tranche (as applicable) and the Chairman elected by the Bondholders' Meeting.
- (j) Each Bondholder or each Bondholder holding Bonds of the relevant Tranche (as applicable) , the Bond Trustee and, to the extent the Bonds are listed, representatives of the relevant Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend a Bondholders' Meeting (each a "**Representative**"). The Chairman 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 Chairman shall decide who may attend the Bondholders' Meeting and vote for the Bonds.
- (k) Representatives of the relevant Issuer(s) 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.
- (l) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairman. The minutes shall state the numbers of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with

the Bond Trustee who shall make available a copy to the Bondholders and the relevant Issuer(s) upon request.

- (m) The Bond Trustee will ensure that the relevant Issuer(s), the Bondholders and the Exchange, if applicable, are notified of resolutions passed at a Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (n) The relevant Issuer(s) 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 fees incurred by the Bond Trustee.

17.3 Voting rules.

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond or each Voting Bond of the relevant Tranche, as applicable, owned at close of business on the date falling on the immediate preceding Banking Day to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Depository. For this purpose, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 16.3 (*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 16.3 (*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.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairman shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) Any of the relevant Issuer(s), the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairman shall have the deciding vote.

17.4 Repeated Bondholders' Meeting.

- (a) If a Bondholders' Meeting does not form a quorum pursuant to paragraph (b) of Clause 17.1 (*Authority of the Bondholders' Meeting*), a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- (b) When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting

Bonds of the relevant Tranche or of the face value of all Outstanding Bonds under this Bond Loan Agreement, as applicable, are represented.

17.5 Written Resolutions.

- (a) Subject to this Bond Loan Agreement, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 17.1 (*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 Securities Depository at the time the summons is sent from the Securities Depository and published at Stamdata, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), 17.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 17.3 (*Voting Rules*) and Clause 17.4 (*Repeated Bondholders' Meeting*) shall apply mutatis mutandis to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (i), (j) and (k) of Clause 17.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 17.5 (*Written Resolutions*),
 shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**").
- (f) The Voting Period shall be at least three (3) Banking Days but not more than 15 Banking Days from the date of the summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 17.4 (*Repeated*

Bondholders' Meeting) shall be at least ten (10) Banking Days but not more than 15 Banking Days from the date of the summons.

- (g) Only Bondholders of Voting Bonds registered with the Securities Depository on (i) the date falling 3 Banking Days after the summons has 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 item (i) above, on the date falling on the immediate Banking Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 16.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (h) A Written Resolution is passed when the requisite majority set out in paragraphs (d), (e) or (h) of Clause 17.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds or Voting Bonds of the relevant Tranche (as applicable), even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (i) 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.
- (j) 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 (b), (d), (e) and (h) of Clause 17.1 (*Authority of Bondholders' Meeting*).

18 The Bond Trustee

18.1 The role and authority of the Bond Trustee.

- (a) The Bond Trustee shall monitor the compliance by the Obligors of their obligations under this Bond Loan Agreement and applicable laws and regulations which are relevant to the terms of this Bond Loan Agreement, including supervision of timely and correct payment of principal or interest, (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Obligors), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Loan Agreement. The Bond Trustee is not obligated to assess the Obligors' financial situation beyond what is directly set out in this Bond Loan Agreement.
- (b) The Bond Trustee may take any step it in its sole discretion considers necessary or advisable to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Loan Agreement and is entitled to rely on advice from

professional advisors. The Bond Trustee may in its sole discretion postpone taking action until such matter has been put forward to the Bondholders' Meeting. The Bond Trustee is not obliged to take any steps to ascertain whether any Event of Default has occurred and until it has actual knowledge or express notice to the contrary the Bond Trustee is entitled to assume that no Event of Default has occurred.

- (c) The Bond Trustee may make decisions binding for all Bondholders concerning this Bond Loan Agreement, including amendments to this Bond Loan Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not materially and adversely affect the rights or interests of the Bondholders pursuant to this Bond Loan Agreement.
- (d) The Bond Trustee may reach decisions binding for all Bondholders of a particular Tranche in circumstances other than those mentioned in Clause 18.1(c); provided that prior notification has been made to the Bondholders of such Issue. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders of a particular Tranche in the event that any Bondholder of such Tranche submits a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five Banking Days following the dispatch of such notification.
- (e) The Bond Trustee shall ensure that resolutions passed at a Bondholders' Meeting are properly implemented, however, the Bond Trustee may refuse to carry out resolutions being in conflict with this Bond Loan Agreement (or any other Finance Document) or any applicable law.
- (f) The Bond Trustee may reach other decisions than set out in Clauses 18.1(c) or 18.1(d) to amend or rectify decisions which due to spelling errors, calculation mistakes, misunderstandings or other obvious errors do not have the intended meaning.
- (g) The Issuers, the Bondholders and the Exchange, if applicable, shall be notified of decisions made by the Bond Trustee pursuant to Clause 18.1 unless such notice obviously is unnecessary.
- (h) The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuers' approval.
- (i) The Bond Trustee may act as bond trustee and/or security agent for several bond issues relating to the Obligors notwithstanding potential conflicts of interest. The Bond Trustee may delegate exercise of its powers to other professional parties.

- (j) The Bond Trustee may instruct the Paying Agent to split the Bonds of any particular Tranche to a lower denomination in order to facilitate partial redemptions or restructuring of the Bonds or other situations.
- (k) The Bond Trustee may forward any documents and information it receives to the Bondholders; provided that none of the Obligors that has forwarded documents and/or information to the Bond Trustee in good faith has determined, and at the same time has informed the Bond Trustee in writing, that such documents and/or information cannot be forwarded to the Bondholders due to restrictions in applicable laws or stock exchange regulations.

18.2 Liability and indemnity.

- (a) The Bond Trustee is liable only for direct losses incurred by Bondholders or the Obligors as a result of gross negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set out in this Bond Loan Agreement. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuers.
- (b) The Obligors are liable for, and shall indemnify the Bond Trustee, jointly and severally, in respect of all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Obligors (including its directors, management, officers, employees, agents and representatives) in the fulfillment of their obligations under the terms of this Bond Loan Agreement and any other Finance Document, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Obligors in connection with the establishment and performance of this Bond Loan Agreement and any other Finance Document.
- (c) The Bond Trustee can as a condition for carrying out an instruction from the Bondholders (including, but not limited to, instructions set out in Clause 15.3(a)(i) or 15.3(b)(i) or 17.2(a)(ii)), require satisfactory security and indemnities for any possible liability and anticipated costs and expenses, from those Bondholders who requested that instruction and/or those who voted in favour of the decision to instruct the Bond Trustee. Any instructions from the Bondholders may be put forward to the Bondholders' Meeting by the Bond Trustee before the Bond Trustee takes any action.

18.3 Change of Bond Trustee.

- (a) Change of Bond Trustee shall be carried out pursuant to the procedures set out in Clause 17. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.
- (b) The fees and expenses of a new bond trustee shall be covered by the Obligors pursuant to the terms set out in Clause 14, but may be recovered wholly or

partially from the Bond Trustee if the change is due to a breach by the Bond Trustee of its duties pursuant to the terms of this Bond Loan Agreement or other circumstances for which the Bond Trustee is liable.

- (c) The Bond Trustee undertakes to co-operate so that the new bond trustee receives without undue delay following the Bondholders' Meeting the documentation and information necessary to perform the functions as set out under the terms of this Bond Loan Agreement.

18.4 Appointment of Security Agent.

- (a) The Bond Trustee may act as Security Agent or may appoint a bank or other institution to act as Security Agent in respect of the Bonds.
- (b) The main functions of the Security Agent may include holding the Bond Security on behalf of the Bondholders and monitoring compliance by the Obligors and other relevant parties of their respective obligations under this Bond Loan Agreement and/or the Security Documents with respect to the Bond Security.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuers shall be given the opportunity to state their views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agency Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Obligors and any other parties to any Security Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge.
- (e) Any changes to this Bond Loan Agreement necessary or appropriate in connection with the appointment of a Security Agent shall be documented in an amendment to this Bond Loan Agreement, signed by the Bond Trustee and each of the Obligors.
- (f) If so desired by the Bond Trustee and the Security Agent, any or all of the Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Bond Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Obligors.
- (g) If (1) a Buy Out Notice is provided (as defined in the Intercreditor Agreement) and (2) the Security Agent receives from the Second Security Agent (as defined in the Intercreditor Agreement) or its nominee or nominees an amount equal to the Buy Out Amount (as defined in the Intercreditor Agreement) and in accordance with the terms of the Intercreditor Agreement, the Security Agent shall without

undue delay transfer all the rights and obligations under the Bonds to the Second Security Agent (as defined in the Intercreditor Agreement) or its nominee or nominees. The Security Agent is authorised and instructed by the Bondholders to take all steps necessary to effect such transfer, including instructing the account manager or custodian of each Bondholder to transfer the Bonds registered with the Securities Depository to the Second Security Agent (as defined in the Intercreditor Agreement) or its nominee or nominees.

- (h) Without limiting the generality of Section 17.8(a), the Bond Trustee is hereby appointed to act as the holder of an irrevocable power of attorney (*fondé de pouvoir* within the meaning of Article 2692 of the Civil Code of Québec) of the Bondholders in order to hold hypothecs and security granted by any Obligor on property pursuant to the laws of the Province of Québec. The execution by the Bond Trustee, acting as *fondé de pouvoir* of the Bondholders, prior to this Bond Loan Agreement of any deeds of hypothec or other security documents is hereby ratified and confirmed. Notwithstanding the provisions of Section 32 of *An Act respecting the special powers of legal persons* (Québec), the Bond Trustee may acquire and be the holder of any Bonds. The constitution of the Bond Trustee as *fondé de pouvoir* shall be deemed to have been ratified and confirmed by each Bondholder by its subscription, purchase or other transfer of the Bonds and by each successor Bond Trustee upon it becoming a successor Bond Trustee in accordance with this Bond Loan Agreement.

19 Miscellaneous

- 18.1 The community of Bondholders. By virtue of holding Bonds, which are governed by this Bond Loan Agreement (which pursuant to the second paragraph of this Bond Loan Agreement is binding upon all Bondholders), a community exists between the Bondholders, implying, *inter alia*, that:
 - (a) the Bondholders are bound by the terms of this Bond Loan Agreement and the other Finance Documents;
 - (b) the Bond Trustee has power and authority to act on behalf of the Bondholders, included, but not limited to, taking any legal or other action, including enforcement of the Bonds and/or any Bond Security, opening of bankruptcy or other insolvency proceeding;
 - (c) the Bond Trustee has, in order to administrate the terms of this Bond Loan Agreement, access to the Securities Depository to review ownership of Bonds registered in the Securities Depository;
 - (d) this Bond Loan Agreement establishes a community between Bondholders meaning that:
 - (i) the Bonds of a particular Tranche rank *pari passu* between each other;

- (ii) the Bondholders may not, based on this Bond Loan Agreement, act directly towards the Obligors and may not themselves institute legal proceedings against the Obligors, however the foregoing shall not restrict the Bondholders from exercising their individual rights derived from this Bond Loan Agreement;
- (iii) the Obligors may not, based on this Bond Loan Agreement, act directly towards the Bondholders;
- (iv) the Bondholders may not cancel the Bondholders' community; and
- (v) an individual Bondholder may not resign from the Bondholders' community.

19.2 Defeasance.

- (a) The Issuer of a particular Tranche may, at its option and at any time, elect to have certain obligations with respect to such Tranche discharged upon complying with the following conditions ("**Security and Covenant Defeasance**"):
- (i) such Issuer shall have irrevocably pledged to the Bond Trustee for the benefit of the Bondholders cash or government bonds accepted by the Bond Trustee (the "**Defeasance Pledge**") in such amounts as will be sufficient for the payment of principal on the Outstanding Bonds to the applicable Maturity Date (or redemption upon a exercise of a notified Call Option) or any other amount agreed between the parties hereto;
 - (ii) no Event of Default shall have occurred and be continuing on the date of establishment of the Defeasance Pledge, or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time during any hardening period applicable to the Defeasance Pledge (or the relevant period for non-Norwegian companies) or any other date agreed between the parties hereto;
 - (iii) the Defeasance Pledge shall be considered as a replacement of the Security established prior to the Defeasance Pledge;
 - (iv) such Issuer shall have delivered to the Bond Trustee a certificate signed by its Chief Executive Officer stating that the Defeasance Pledge was not made by such Issuer with the intent of preferring the Bondholders over any other creditors of such Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of such Issuer or others; and

- (v) such Issuer shall have delivered to the Bond Trustee any certificate or legal opinion reasonably required by the Bond Trustee and the relevant Bondholders regarding the Security and Covenant Defeasance or Defeasance Pledge, including any certificate or legal opinion on (i) the compliance of the conditions of the Security and Covenant Defeasance, (ii) that the Defeasance Pledge constitutes a valid, perfected and enforceable Security in favour of the Bond Trustee for the benefit of the Bondholders which will not be subject to any rights of creditors of each Obligor or any bankruptcy, insolvency, reorganization or similar laws affecting creditors rights generally under the laws of the jurisdiction where the Defeasance Pledge was established and the corporate domicile of such Issuer, (iii) any relevant tax issues concerning the Bondholders, (iv) any valuation of any assets, including of each of the Vessels or (vii) any other certificate or opinion regarding the Security and Covenant Defeasance or the Defeasance Pledge.
- (b) Upon the exercise by an Issuer of its option under Clause 18.2(a):
- (i) all Obligors shall be released from their obligations under all provisions in Clause 13, except Clauses 13.1(a), (c), (h), (j) and (k), or as otherwise agreed;
 - (ii) such Issuer shall not (and shall ensure that all Group Companies shall not) take any actions that may cause the value of the Bond Security created by this Security and Covenant Defeasance to be reduced, and shall at the request of the Bond Trustee execute, or cause to be executed, such further documentation and perform such other acts as the Bond Trustee may reasonably require in order for the Bond Security to remain valid, enforceable and perfected by the Bond Trustee for the account of the Bondholders;
 - (iii) any Guarantors shall be discharged from their obligations under the Guarantees, and the Guarantees shall cease to have any legal effect, or as otherwise agreed;
 - (iv) any Bond Security other than the Defeasance Pledge shall be discharged, and the Bond Trustee shall take all steps reasonably possible for it to cause such discharge to be effected, by way of deletion of the relevant Security Document from the relevant register, notice to third parties or as otherwise required, or as otherwise agreed; and
 - (v) all other provisions of this Bond Loan Agreement (except as set forth in (i) – (iv) above) shall remain fully in force without any modifications, or as otherwise agreed.

- (c) All amounts owed by the Issuers hereunder covered by the Defeasance Pledge shall be applied by the Bond Trustee, in accordance with the provisions of this Bond Loan Agreement, against payment to the Bondholders of all sums due to them under this Bond Loan Agreement on the due date thereof.
 - (d) Any excess funds not required for the payment of principal, premium and interest to the Bondholders (including any expenses, fees etc. due to the Bond Trustee hereunder) shall be returned to the Issuers.
- 19.3 Limitation of claims. All claims under the Bonds and this Bond Loan Agreement for payment, including interest and principal, shall be subject to the time-bar provisions of the Norwegian Limitation Act of May 18, 1979 No. 18.
- 19.4 Access to Information. The Bond Trustee shall, in order to carry out its functions and obligations under this Bond Loan Agreement and the other Finance Documents, have access to the Securities Depository for the purposes of reviewing ownership of the Bonds registered in the Securities Depository.
- 19.5 Amendments. All amendments of this Bond Loan Agreement shall be made in writing, and shall unless otherwise expressly provided for by this Bond Loan Agreement, only be made with the approval of all parties hereto. Notwithstanding any other provision of this Bond Loan Agreement, the Bond Trustee and the Issuers may amend, supplement or otherwise modify this Bond Loan Agreement without the consent of any Bondholder to effectuate the issuance of any Additional Bonds or any Additional PIK Bonds.
- 19.6 Notices and Contact Information.
- (a) Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Depository with a copy to the Issuers and (if applicable) the Exchange. Information to the Bondholders may also be published at Stamdata.
 - (b) Any Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee or alternatively through the Securities Depository with a copy to the Bond Trustee and (if applicable) the Exchange.
 - (c) Unless otherwise specifically provided herein, all notices or other communications under or in connection with this Bond Loan Agreement between the Bond Trustee and any Obligor shall be given or made in writing, by letter, e-mail or telefax. Any such notice or communication addressed shall be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the recipient;
 - (ii) if by e-mail, when received; and

- (iii) if by telefax, when received.
- (d) The Issuers and the Bond Trustee shall ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in this Bond Loan Agreement, the following shall apply (unless otherwise stated):
 - (i) If the deadline is set out in days, the first day when the deadline is in force shall not be inclusive, however, the meeting day or the occurrence the deadline relates to, shall be included.
 - (ii) If the deadline is set out in weeks, months or years, the deadline shall 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 shall be the last day of such month.
 - (iii) If a deadline ends on a day which is not a Banking Day, the deadline is postponed to the next Banking Day.

19.7 Dispute Resolution and Legal Venue

- (a) This Bond Loan Agreement and all disputes arising out of, or in connection with this Bond Loan Agreement between the Bond Trustee, the Bondholders and any Obligor, shall be governed by Norwegian law.
- (b) All disputes arising out of, or in connection with this Bond Loan Agreement between the Bond Trustee, the Bondholders and any Obligor, shall be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.
- (c) Clause 19.7(b) is for the benefit of the Bond Trustee only. As a result, the Bond Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may take concurrent proceedings in any number of jurisdictions.

20 **Eligible Purchasers and Transfer Restrictions**

- 20.1 The Instruments are not being offered to and may not be purchased by investors located in the United States except for "Qualified Institutional Buyers" ("**QIBs**") within the meaning of Rule 144A. Each U.S. investor that wishes to purchase Instruments will be required to execute and deliver to the Parent Issuer a certification in a form to be provided by the Obligors stating, among other things, that the investor is a QIB. The

Bonds may not be purchased on any Issue Date by, or for the benefit of, persons resident in Canada.

- 20.2 Instrument Holders located in the United States will not be permitted to transfer the Instruments except (a) subject to an effective registration statement under the US Securities Act, (b) to a person that the Instrument Holder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S in a transaction on the Oslo Børs, (d) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available), or (e) in another transaction that is exempt from, or not subject to, the registration requirements set forth in the US Securities Act.

The Instruments may not be traded in Canada except in compliance with the prospectus and registration requirements set forth in applicable Canadian securities laws or pursuant to an exemption from the prospectus and registration requirements set forth in applicable Canadian securities laws.