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**To the bondholders in:**

**ISIN: NO 001 071451.2 - FRN EXMAR NV Senior Unsecured Bond Issue 2014/2017**

Oslo, 13 June 2017

## **Summons to Bondholders' Meeting – approval of amendments to the Bond Agreement**

*Nordic Trustee ASA (the "Bond Trustee") is appointed as bond trustee for the bond issue with ISIN NO 001 0714512 (the "Bonds" or "EXMAR01") issued by EXMAR Netherlands BV (the "Issuer") with a parent company guarantee from EXMAR NV ("EXMAR" or the "Parent") pursuant to the terms of the bond agreement dated 4 July 2014 and as amended and restated by an amendment and restatement agreement dated 29 September 2014 (the "Bond Agreement") between the Issuer, the Parent and the Bond Trustee (on behalf of itself and the holders from time to time of EXMAR01) (the "Bondholders").*

*All capitalised terms used, but not defined in this summons, have the meanings given to them in the Bond Agreement.*

*The Issuer and the Parent have requested the Bond Trustee to summons a Bondholders' Meeting to consider the amendments to the Bond Agreement as described in section 2 of this summons.*

*The information in this summons regarding the Issuer, the Parent and market conditions is provided by the Parent and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

### **1 BACKGROUND**

The Issuer has approached its Bondholders to discuss certain amendments to the Bond Agreement and terms of EXMAR01.

EXMAR is a leading independent LNG and LPG carrier owner and operator listed on NYSE Euronext Brussels. The Issuer raised its first bond issue of NOK 700 million in July 2014 with the purpose of financing new investments as well as for general corporate purposes. In May 2015, the Issuer raised an additional NOK 300 million under the Bond Agreement.

EXMAR's LPG and LNG business areas are performing well. The LPG fleet is performing despite deteriorating market conditions due to solid contract portfolio and the LNG shipping and LNG regasification fleet is delivering steady results in accordance with the solid time-charter portfolio with average remaining charter coverage of approximately 10 years. EXMAR currently has an FLNG barge under construction which is scheduled to be delivered in June/July 2017. Financing of the unit with Bank of China is close to be completed and Bank of China and Sinore credit approvals have been confirmed. Employment discussions for the unit are currently ongoing and are progressing well, however, no revenues are expected from the unit before Q1 2018.

Given the uncertainties around the employment of the FLNG unit, a refinancing of the Bonds at terms that would not be value destructive has not been possible, and thus the Issuer is approaching the Bondholders in EXMAR01 to request an extension of the Final Maturity Date.

The terms and conditions for the requested EXMAR01 maturity extension and certain other amendments are set out in section 2 below and further described in Schedule 2 attached hereto.

For further updates on the Parent and the Group, reference is made to the Parent's website [www.exmar.com](http://www.exmar.com).

## **2 The Proposal**

Based on the above background and as further set out in detail in Schedule 2 hereto, the Issuer proposes that the Bondholders adopt the following proposal (the "**Proposal**"):

The Bondholders:

1. approve that the Final Maturity Date for the Bonds is extended until 7 July 2019;
2. approve that the Margin is increased from 450 bps to 800 bps from the originally agreed Final Maturity Date until the amended Final Maturity Date;
3. approve that a Call Option (including redemption at Final Maturity Date) is introduced at times and with applicable call premiums as described in Schedule 2 hereto;
4. approve that an offer may be made by the Issuer to the Bondholders (all or none) for a voluntary (at each Bondholder's discretion) exchange from Bonds denominated in NOK to Bonds denominated in USD, in consideration of a step-up of 50 bps in the Margin for Bonds denominated in USD, i.e. 800 bps for Bonds denominated in NOK and 850 bps for Bonds denominated in USD. For each Bondholder having accepted such offer, the exchange will enter into effect from the first Interest Payment Date following such acceptance (subject to a minimum two Business Days acceptance notice), and further as described in Schedule 2 hereto; and
5. approve that the Bond Agreement is further amended to reflect the terms attached in Schedule 2 hereto, with no other amendments than as set out specifically therein and otherwise as necessary to fully implement such amendments.

The Bondholders should note that Schedule 2 hereto contains the amended and/or new terms and conditions only, save for the sections General Undertakings, Special Covenants and Financial Covenants, in which all undertakings and covenants are included for ease of reference. The amendments include (without limitation) financial reporting being amended from quarterly to semi-annually and adjustments to dividend restrictions. Adjustments are also made to Permitted Financial Indebtedness and Permitted Security, and for ease of reference these provisions are also presented in full in Schedule 2.

## **3 Non-reliance**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee.

The Bondholders must independently evaluate the Proposal and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

#### 4 Further information

The Group has engaged DNB Bank ASA, DNB Markets ("DNB Markets"), Pareto Securities AS, Nordea Bank AB (publ), filial i Norge ("Nordea") and Skandinaviska Enskilda Banken AB (publ) ("SEB") as its financial advisors (the "Advisors") with respect to the Proposal. Accordingly, Bondholders may contact the Advisors for further information:

<p>DNB Markets:</p> <p>Bond syndicate desk Email: <a href="mailto:bond.syndicate@dnb.no">bond.syndicate@dnb.no</a> Phone: +47 24 16 93 68</p>	<p>Pareto Securities:</p> <p>Christian Ramm Email: <a href="mailto:christian.ramm@paretosec.com">christian.ramm@paretosec.com</a> Mobile: +47 91 78 51 07</p> <p>Marcus Rosén Email: <a href="mailto:marcus.rosen@paretosec.com">marcus.rosen@paretosec.com</a> Mobile: +47 94 13 78 77</p>
<p>Nordea:</p> <p>Nicolai Bratt <a href="mailto:nicolai.bratt@nordea.com">nicolai.bratt@nordea.com</a> Tel: +47 22 48 79 33</p> <p>Kristoffer Sletten <a href="mailto:kristoffer.sletten@nordea.com">kristoffer.sletten@nordea.com</a> Tel: +47 22 48 41 35</p>	<p>SEB:</p> <p>Einar Wold Email: <a href="mailto:einar.wold@seb.no">einar.wold@seb.no</a> Mobile: +47 971 58 933</p> <p>Peter Rohn Email: <a href="mailto:peter.rohn@seb.no">peter.rohn@seb.no</a> Mobile: +47 41 200 659</p>

The Advisors act solely for the Group and no-one else in connection with the Proposal. The Advisors are also connected to DNB Bank ASA (DNB Markets as part of DNB Bank ASA), Nordea and SEB which are senior lenders to the Group and may have conflicting interest with the Bondholders. No due diligence investigations have been carried out by the Advisors with respect to the Group, and the Advisors expressly disclaim any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information contained herein).

For further questions to the Bond Trustee, please contact Vivian Trøsch at [mail@nordictrustee.com](mailto:mail@nordictrustee.com) or +47 22 87 94 00.

#### 5 Bondholders' Meeting

The Bondholders are hereby summoned to a Bondholders' Meeting.

Time: 27 June 2017 at 13:00 hours (Oslo time)

Place: The premises of Nordic Trustee ASA  
Haakon VII's gate 1, Oslo – 6<sup>th</sup> 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. Approval of the Proposal:

**It is proposed that the Bondholders' Meeting resolve the following:**

*"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons to this Bondholders' Meeting and further laid out in detail in Schedule 2 attached.*

*The Bond Trustee is hereby authorized to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Proposal, including without limitation to prepare, finalize and enter into the necessary amendment agreements and other documentation deemed appropriate and take such further actions which are necessary to execute the Proposal. "*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached 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 the Nordic Trustee 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 to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, 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, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
**Nordic Trustee ASA**



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Vivian Trøsch

Enclosed:  
Schedule 1: Bondholder's Form  
Schedule 2: Term sheet for amended terms

## **Schedule 2: Term sheet - amended terms**

**Final Maturity Date:** 7 July 2019

**Currency Exchange Offer:** The Bond Agreement will be amended to reflect that the Issuer may offer the Bondholders (all or none) to exchange (at each Bondholder's discretion) its holdings of Bonds from Bonds denominated in NOK to Bonds denominated in USD, at the Spot Rate of Exchange (as defined below).

Any prevailing NOK tranche and the new USD tranche respectively shall carry interest rates as described below.

The amended Bond Agreement will further reflect that the Issuer may put forward such offer prior to the Bondholder's Meeting so that the earliest date such exchange of Bonds may enter into effect shall be 7 July 2017, however subject to (i) the Proposal having been approved and (ii) the effective date under the Second Amendment and Restatement Agreement having occurred.

The Issuer may put forward such number of offers (each to all Bondholders holding Bonds denominated in NOK) and with a conversion period as will be specified in the exchange offer.

For each Bondholder having accepted such offer, the exchange will enter into effect no later than the first Interest Payment Date following such acceptance (subject to a minimum five Business Days acceptance notice).

**Spot Rate of Exchange:** The spot rate of exchange from NOK to USD as published by Norges Bank on [www.norgesbank.no](http://www.norgesbank.no) at such date as will be specified in the exchange offer.

**NOK Margin:** 8.00% (eight point zero percentage points) per annum.

**USD Margin:** 8.50% (eight point fifty percentage points) per annum.

**Interest rate on the NOK tranche:** 3 month NIBOR + NOK Margin

**Interest rate on the USD tranche:** 3 month LIBOR + USD Margin

**Pro rata allocation between tranches** Any exercise of the Call Option, Mandatory Prepayment, Buy-Back Offer or other redemption of Bonds shall be allocated pro rata among the NOK tranche and the USD tranche.

**Face Value:** The Face Value of Bond denominated in NOK shall be NOK 1 and the Face Value of Bonds denominated in USD shall be USD 1.

**Other terms** The USD tranche will be subject to identical terms as the NOK tranche other than the currency, the Bond Reference Rate, the Margin and the Face Value.

Furthermore each NOK Bond will carry one vote on any Bondholders' Meeting, while any USD Bond will carry a number of votes corresponding to the Spot Rate of Exchange fixed in the first exchange offer put forward from the Issuer.

**Redemption price:** The Bonds shall be repaid in full at the Final Maturity Date at a price of minimum 105% of par value, however always subject to the Call Option Premiums as set out below.

Prior to the Final Maturity Date the Bonds may be partly or wholly redeemed by (i) Mandatory Prepayment (as defined below), (ii) a Buy-Back Offer (as defined below), or (iii) under the Call Option (as described below).

**Call Option:** The Bonds shall be callable (whole or in part on a pro rata basis among the bondholders) as follows:

- at 105.00% of par value with settlement from 7 July 2017 to and including 31 December 2017;
- at 106.00% of par value with settlement from and including 1 January 2018 to and including 31 March 2018;
- at 107.00% of par value with settlement from and including 1 April 2018 to and including 30 June 2018;
- at 108.25% of par value with settlement from and including 1 July 2018 to and including 30 September 2018;
- at 109.50% of par value with settlement from and including 1 October 2018 to and including 31 December 2018;
- at 111.00% of par value with settlement from and including 1 January 2019 to and including 31 March 2019; and
- at 112.50% of par value with settlement from an including 1 April 2019 to and including the Final Maturity Date (as amended pursuant hereto);
- however, so that the call premium shall not be further increased from the date being the earlier of (i) the Group's ownership in the Caribbean FLNG having been sold in full to an independent third party buyer, the proceeds thereunder having been received in cash (ii) the Group having secured a Qualifying Contract (as defined below), or (iii) the Parent having received USD 50 million in Junior Capital (as defined below), the proceeds thereunder having been received in cash.

**General Undertakings:** During the term of the Bonds, the Obligors shall (unless the Bond Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following general undertakings:

- a) **Mergers:** The Obligors shall not, and shall ensure that no other Group

Company shall, carry out any merger or other business combination or corporate reorganization involving consolidating the assets and obligations of the Obligors or such Group Company with any other company or entity not being a member of the Group if such transaction would have a Material Adverse Effect.

- b) **De-mergers:** The Obligors shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving splitting any of the Obligors or such Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.
- c) **Continuation of business:** The Obligors shall not, and shall ensure that no other Group Company shall, cease to carry on its business, if such cessation would have a Material Adverse Effect. The Parent shall procure that no material change is made to the general nature or scope of the business of the Group from that carried on at the date of the Bond Agreement, or as contemplated by the Bond Agreement.
- d) **Insurances:** Each Obligor shall, and the Parent shall procure that each Group Company will, maintain, with financially sound and reputable insurance companies, funds or underwriters, adequate insurance- or captive arrangements with respect to its vessels, other assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with customary and prudent business practice for each type of vessel or asset and in their relevant jurisdictions and areas of operation.
- e) **Reporting:** The Bond Agreement shall include information undertakings with respect to (i) notification upon any Event of Default, (ii) copies of any statutory notifications, (iii) at the request of the Bond Trustee, report on the balance of Bonds held by the Issuer or any Group Company, (iv) such information as the Bond Trustee reasonably requires and (v) the Parent of its own accord making financial reports (semi-annually written in English) directly available to the Bond Trustee for publication on [www.stamdata.no](http://www.stamdata.no) and on its web pages for public distribution not later than 120 days after the end of the financial year and not later than 90 days after the end of the first semester (each a "Reporting Date"). Such reports shall be prepared in accordance with IFRS, consistently applied, and include a profit and loss account, balance sheet, cash flow statement and management commentary or report from the Board of Directors.
- f) **Arm's length transactions:** The Obligors shall not engage in, or permit any other Group Company to engage in, directly or indirectly, any transaction with any party (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and pursuant to the reasonable requirement of any of the Obligors' or such Group Company's business and upon fair and reasonable terms that are no less favorable to any of the Obligors or such Group Company, as the case may be, than those which might be obtained in an arm's length transaction at the time.
- g) **Pari passu ranking:** Each Obligor shall ensure that its obligations under

the Bond Agreement and any other Finance Document shall at all times rank at least *pari passu* with other senior unsecured debt of such Obligor, except for obligations which are mandatorily preferred by law, and rank ahead of subordinated capital.

- h) **Corporate status:** No Obligor shall change its type of organization or jurisdiction of incorporation.
- i) **Compliance with laws:** Each Obligor shall, and shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all aspects and comply in all respects with all laws and regulations it or they may be subject to from time to time. Breach of these obligations shall be regarded as non-compliance only if such breach would have a Material Adverse Effect.

**Special Covenants:**

During the term of the Bonds, the Obligors shall (unless the Bond Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following special covenants:

- a) **Duty of loyalty:** Unless otherwise specified or implied herein, each Obligor shall, and shall ensure that any Group Company shall, use its best endeavours to ensure compliance with the General Undertakings as described above in any JV Company (as defined below).
- b) **Parent's minimum ownership of the Issuer:** The Parent shall at all times maintain a 100% direct or indirect ownership of the Issuer.
- c) **Dividend Restrictions:** The Parent shall not (i) declare or make any dividend payment or distribution, whether in cash or in kind, (ii) repurchase any of its shares or undertake other similar transactions (including, but not limited to total return swaps related to shares in the Parent) (save for any shares acquired in connection with the Group's employee option scheme), or (iii) grant any loans or make other distributions or transactions constituting a transfer of value to its shareholders (items (i)-(iii) collectively referred to as "**Distributions**") that in aggregate exceed, during any calendar year, the higher of (i) 50% of the Parent's consolidated net profit after taxes (based on Proportional Consolidation) based on the audited annual accounts for the previous financial year and (ii) Euro 0.30 per share (based on the number of shares as of the date of the Second Amendment and Restatement Agreement and to be adjusted for stock splits, mergers and/or new share issues), and always provided that no Event of Default has occurred and is continuing or will occur as a result of such Distribution.

The Parent may make interim Distributions during any calendar year based on preliminary accounts for that financial year, however provided that the aggregate Distribution (interim and otherwise) for any financial year shall always be limited to the higher of alternative (i) and (ii) as described above.

Notwithstanding the above, the Parent shall not be permitted to make any

Distribution or interim Distribution until:

- (A) the Caribbean FLNG has commenced employment under a charter contract with an independent third party charterer, the Group has received the first payment from such employment, and such contract has a fixed period of minimum five (5) years with a minimum EBITDA of USD 35 million per annum (together a "**Qualifying Contract**"); or
- (B) its ownership in the Caribbean FLNG has been sold to an independent third party buyer (either wholly or partly with 50% or more sold), the Group has received the proceeds in cash from such sale, and the Group has promptly thereafter made an aggregate prepayment of Bonds (including any Mandatory Prepayment) of 1/3 of the Outstanding Bonds (at par value plus accrued interest on the redeemed Bonds); and
- (C) the NIBD/Equity ratio is maximum 2.00x calculated on a *pro forma* basis taking such Distribution into account.

Any un-utilized portion of the permitted Distribution pursuant to the above may not be carried forward.

- d) **Subsidiaries' and/or JV Companies' distributions:** The Parent shall not permit any Subsidiary or JV Company to create or permit to exist any contractual obligation or encumbrance (except to the extent required to comply with customary cash waterfall provisions, financial covenants or other similar restrictions in financing agreements) restricting the right to:
  - (i) pay dividends or make other distributions to its shareholders;
  - (ii) service any Financial Indebtedness to the Parent;
  - (iii) make any loans to the Parent; or
  - (iv) transfer any of its assets and properties to the Parent;

if the creation of such contractual obligation is reasonably likely to prevent the Issuer and the Parent (as applicable) from complying with its obligations under the Bond Agreement or any other Finance Document.

- e) **Disposal of assets/business:** The Obligors shall not, and shall ensure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations unless:
  - (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and
  - (ii) such transaction does not have a Material Adverse Effect.
- f) **Financial Indebtedness restrictions:** The Obligors shall not, and shall ensure that no other Group Company shall, incur, create or permit to subsist any Financial Indebtedness (including guarantees) other than the Permitted Financial Indebtedness (as defined below).
- g) **Negative pledge:** The Obligors shall not, and shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any

mortgage, pledge, lien or any other encumbrance over any of its present or future respective assets or its revenues, other than the Permitted Security (as defined below).

- h) **Financial support restrictions:** The Obligors shall not, and shall ensure that no other Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of security) ("**Financial Support**") to or for the benefit of any third party, other Group Companies or JV Companies other than by way of:
  - (i) guarantees for Permitted Financial Indebtedness in any Group Company;
  - (ii) guarantees for Financial Indebtedness in any JV Company limited upwards to a *pro rata* share of such Financial Indebtedness corresponding to the Groups aggregate ownership share of such JV Company;
  - (iii) equity contribution and/or other subordinated capital for customary capitalization of any JV Company; and/or
  - (iv) Permitted Security.
- i) **Subordination of intra-group loans to the Parent:** The Parent undertakes that any and all shareholder loans to the Parent ("**Subordinated Loans**") are subject to the following conditions: (i) any amortization and maturity is after the Final Maturity Date, (ii) no security is or shall be provided, (iii) no payment of interest prior to the Final Maturity Date (non payable capitalised interest to be permitted) and (iv) no repayment to or enforcement by the lender(s) thereunder prior to the full and irrevocable payment of the Bonds.

**Permitted Financial  
Indebtedness:**

Means:

- a) this Bond Issue;
- b) existing secured or unsecured Financial Indebtedness provided by commercial banks and/or Export Credit Agencies incurred by the Issuer or any Group Company prior to the date of the Bond Agreement for the purpose of financing existing vessels or assets;
- c) future senior secured Financial Indebtedness provided by commercial banks and/or export credit agencies, incurred by any Group Company on marketable terms and conditions with the purpose of financing the acquisition of new vessels or assets (newbuildings and/or second-hand vessels) (or acquisition of shares in entities owning one or more newbuildings or second-hand vessels or assets),
- d) future senior secured (on first priority) bonds incurred by the Issuer or any Group Company on marketable terms and conditions with the purpose of financing the acquisition of new vessels or assets (newbuildings and/or second-hand vessels) (or acquisition of shares in entities owning one or more newbuildings or second-hand vessels or assets);
- e) arm's length sale and lease-back transactions;

- f) any unsecured bonds issued by the Issuer or the Parent with (i) no amortization and with maturity after the Final Maturity Date of the Bonds, (ii) terms not materially more favourable than the Bonds, and (iii) without any Financial Support from any other Group Company (save for any parent guarantee from the Parent similar to the Guarantee);
- g) Financial Indebtedness incurred by any Group Company in the ordinary course of business for working capital purposes and as part of the daily operations of such Group Company, hereunder any cash pooling arrangements within the Group in the ordinary course of business;
- h) existing and future bid-, payment- and performance bonds, guarantees and letters of credit incurred by any Group Company in the ordinary course of business;
- i) obligations incurred by any Group Company under any interest rate and currency hedging agreements relating to any Permitted Financial Indebtedness;
- j) unsecured intra-group loans between any Group Companies;
- k) Subordinated Loans to the Parent;
- l) any bridge facility with a tenor of minimum 18 months of up to USD 30 million;
- m) any Financial Indebtedness not permitted by the preceding paragraphs and incurred by the Group in an aggregate outstanding principal amount which does not at any time exceed USD 10 million (or its equivalent in other currencies); and
- n) any refinancing, amendment or replacement of any of the above from time to time, however always subject to the Financial Covenants below.

**Permitted Security:** Means:

- a) security granted in relation to Permitted Financial Indebtedness paragraphs (b), (c), (d), (e), (i), and (l) above;
- b) security provided by way of a pledge of shares or ownership interests in any Subsidiary and/or JV Company as security for customary financing of such Subsidiary or JV Company's investments in vessels or other assets;
- c) any lien arising by operation of law in the ordinary course of business;
- d) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of any Group Companies (if applicable);
- e) any security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in

respect of goods supplied to any Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any such Group Company; and

- f) security in an aggregate amount of up to USD 10 million not otherwise permitted above.

**Financial Covenants:** The Parent undertakes to at all times comply with the following financial covenants during the term of the Bond Issue:

- a) **Liquidity:** To and including 30 June 2018 maintain Free Cash of minimum USD 25,000,000.

Following 30 June 2018 maintain Free Cash of minimum USD 75,000,000, **unless** (in which case Free Cash shall remain at minimum USD 25,000,000):

- (i) the Caribbean FLNG remains directly or indirectly owned by the Group with 50% or more, and a Qualifying Contract for the employment of the Caribbean FLNG has been signed; or
  - (ii) the Parent has issued an offer to all Bondholders to buy back Bonds at 105% of par value (however not less than the then prevailing call premium) plus accrued interest on the redeemed Bonds (a "**Buy-Back Offer**"), for an amount equal to 1/3 of the Outstanding Bonds *less* any amount already prepaid as principal prior to the date of the Buy-Back Offer (as Mandatory Prepayment). Any Bonds redeemed under a Buy-Back Offer shall be held by the Group and not be cancelled, discharged or resold into the market.
- b) **NIBD/Equity:** Maintain NIBD/Equity ratio of maximum 2.75x to and including 31 December 2018, and maximum 2.50x anytime thereafter.
  - c) **Minimum Equity:** Maintain Equity of minimum USD 300 million.
  - d) **Interest Coverage Ratio:** Maintain an EBITDA to Net Interest Expense ratio of minimum 2.00:1.
  - e) **Minimum Working Capital:** Maintain a positive Working Capital.

The Parent undertakes to comply with the above Financial Covenants at all times, such compliance to be reported on 30 June and 31 December each year and certified by the Issuer with each annual financial statement and semi-annual financial statement on the respective Reporting Date.

All Financial Covenants shall be calculated on a consolidated basis for the Group, and (notwithstanding anything to the contrary in the financial definitions below) all JV Companies shall be included in the calculation

based on Proportional Consolidation.

**Additional / adjusted definitions:** **"Business Day"** means any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo, London and New York.

**"Caribbean FLNG"** means the FLNG barge with IMO 9699945.

**"Junior Capital"** means (i) new equity capital in the Parent, registered as equity capital as per local company law, (ii) Subordinated Loans, or (iii) increased equity by way of sale of non-core assets above book value; in each case the proceeds thereunder received in cash by the Parent.

**"JV Company"** means any current and/or future company or partnership in which the Parent (directly or indirectly) holds an ownership interest incorporated or established for the purpose of directly or indirectly owning, developing and/or constructing any maritime operating vessel or any other operation which is substantially within the business that the Group is conducting at the date of the Bond Agreement, and which is not a Subsidiary of the Parent.

**"LIBOR"** means the interest rate which (a) is published on Reuters Screen LIBOR01 Page (or through another system or on another website replacing the said system or website respectively) approximately 11.00 a.m. (London time) on the Interest Quotation Day and for a period comparable to the relevant Interest Period, or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of commercial banks on the interbank market in New York City or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the opinion of the Bond Trustee and the Issuer is equal to what is offered to commercial banks in the New York city interbank market, for the relevant Interest Period. If any such rate is below zero, LIBOR will be deemed to be zero.

**"Net Interest Bearing Debt" or "NIBD"** means on a consolidated basis for the Group, the aggregate consolidated interest bearing Financial Indebtedness *less* Free Cash.

**"Net Interest Expense"** means the aggregate gross cash interest costs of the Group related to the Group's interest-bearing debt *less* the aggregate gross cash interest income of the Group, including dividend received from financial assets held for sale (according to IFRS), (to be calculated on a 12-month rolling basis).

Otherwise such amendments to the Bond Agreement's definitions as are necessary to fully implement the terms described herein.

**Mandatory Prepayment Event:** Means if the Group enters into binding agreement to directly or indirectly sell or otherwise dispose of the Caribbean FLNG (wholly or partly).

**Mandatory  
Prepayment:**

Upon a Mandatory Prepayment Event occurring, the Issuer shall (i) without undue delay inform the Bond Trustee of the Mandatory Prepayment Event and (ii) on or as soon as practical after the day the net proceeds are received, utilize 50% of the net proceeds from such sale or disposal to redeem Bonds at par value plus the then prevailing call premium.

Net Proceeds in this respect shall mean proceeds after payment of transaction costs and repayment of any debt secured by a pledge in the Caribbean FLNG. The remaining portion of the net proceeds not applied to redeem Bonds, shall be freely available for the Group.

Redemptions made under a Mandatory Prepayment shall be applied *pro rata* between the Bondholders in accordance with the procedures of CSD and all Bonds redeemed shall be promptly cancelled thereafter.

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