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To the bondholders in:

**ISIN NO 001 0798077**

**Sea Trucks International Limited Callable Bond  
Issue 2017/2018**

Oslo, 6 February 2018

## **Notice of a Written Bondholders' Resolution**

### **1. NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTION**

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the holders of the bonds from time to time (the "**Bondholders**") in the abovementioned bond issue (the "**Bond Issue**" or the "**Bonds**"), in respect of which Sea Trucks International Limited is the issuer (the "**Issuer**", and together with its parent, Sea Trucks Group Limited (in liquidation) (the "**Parent**") and the Parent's other subsidiaries, the "**Group**").

Unless otherwise stated herein, all capitalised terms used but not defined in this summons (the "**Summons**") shall have the meaning given to them in the bond agreement for the Bond Issue originally dated 23 June 2017 and entered into between the Issuer and the Bond Trustee (the "**Bond Agreement**").

The Bond Trustee has issued this request for a Written Resolution under Clause 16.5 (*Written Resolutions*) of the Bond Agreement pursuant to a request from the Issuer under Clause 16.5.2 of the Bond Agreement.

**FURTHER, IF THE PROPOSAL IN THIS SUMMONS IS APPROVED BY BONDHOLDERS, IT WILL BE THE RESPONSIBILITY OF EACH INDIVIDUAL BONDHOLDER TO LIAISE WITH ITS CUSTODIAN(S) IN RESPECT OF THE NEW BONDS ALLOCATED TO THAT BONDHOLDER.**

### **2. BACKGROUND**

#### **2.1 Appointment of Liquidators**

On 12 June 2017, and by Order of the Eastern Caribbean Supreme Court in the High Court of Justice British Virgin Islands, Chad Griffin of FTI Consulting LLP and Ian Morton of FTI Consulting (BVI) Limited, were appointed as Joint Liquidators of the Parent pursuant to Section 159(1) of the Insolvency Act, 2003 (the "**Liquidators**").

The Parent's subsidiaries (the "**Subsidiaries**") are not currently subject to any insolvency proceedings and the appointment of the Liquidators has had no direct impact on the day-to-day operations of the Group. The current directors of the Subsidiaries (together with the

directors of the Issuer, the “**Current Directors**”) and management team of the Subsidiaries have retained control of the Subsidiaries, which remain fully operational.

### 2.2 Liquidity

Following their appointment, the Liquidators worked with management to understand the Group’s liquidity position. The Group’s base case short term cash flow forecast showed limited headroom and potential uncertainty around the timing of certain cash flows. Consequently, management and the Liquidators determined it necessary to seek further funding for the Group in the amount of USD 25,000,000 pursuant to the Bond Issue.

The Bonds were issued to the Bondholders by the Issuer on 23 June 2017. Pursuant to the terms of an intercreditor agreement dated 23 June 2017, the obligation to repay the Bonds ranks senior to the obligation to repay the STG Bonds.

### 2.3 Business Plan

As previously communicated to Bondholders pursuant to a notice published on Stamdata on 26 September 2017, the Group’s management prepared a business plan for the Group’s future commercial activities. That business plan was subsequently updated and key figures are summarised in the document appended hereto at Schedule 2 (the “**Business Plan**”). The Business Plan primarily focuses on the future operations of the Group’s DP3 capable vessels, namely, the Jascon 25, the Jascon 28, the Jascon 31, the Jascon 34 (together, referred to herein as the “**DP3s**”) and the Jascon 30. The DP3s and the Jascon 30 are secured in favour of the Bond Trustee for the bonds issued by the Parent (the “**STG Bonds**” and the holders thereof, the “**STG Bondholders**”) (the “**STG Bond Trustee**”) as collateral for the STG Bonds. They contribute the majority of the current gross asset value of the Group and have potential for future deployment in multiple international markets for oil and gas services.

Although the Jascon 30 is also a DP3 capable vessel owned by the Group and its projected future revenues have been included in the Business Plan from the second half of 2018 onwards, this vessel is currently the subject of ongoing litigation proceedings in Nigeria involving West African Ventures Limited (“**WAV**”) (WAV being the former Nigerian operating partner to the Group). Further, the Group has launched arbitration proceedings in London seeking repossession of the vessel. The Jascon 30 is therefore not presently in the physical control of either the Liquidators or any entity within the Group and realisation of the projected revenue in respect of the Jascon 30 as set out in the Business Plan is dependent on the resolution of these ongoing disputes and recovery of the vessel. For further details, please see section 2.4 below.

### 2.4 Commercial and Litigation Actions

The proceedings in relation to the Jascon 30 are one of a number of legal and commercial actions involving the Group. The actions taken by the Group to date have been aimed at protecting and recovering the Group’s assets and recovering amounts owed to the Group by WAV. In addition, WAV has also launched a number of commercial and legal actions against the Group in Nigeria, which the Group is defending.

The Group's Other Offshore and Inland Marine Support Services vessels (the "**OOIM Vessels**") have historically been chartered directly to WAV and operated by WAV in Nigeria. For a number of months, WAV has refused to pay the hire amounts owed to the Group under the relevant charter agreements and to redeliver the OOIM Vessels, as it was contractually required to do. As a result, the Group terminated the charter agreements with WAV. Accordingly, WAV currently has no right to continue to operate or possess any of the Group's vessels.

In support of the termination of the charter agreements, the Group has launched arbitration proceedings in London. These proceedings are in addition to other arbitration proceedings commenced by the Group in London which are all aimed at recovering certain vessels owned by the Group that are currently held by WAV.

As well as the ongoing legal and commercial steps taken above, the Group has also sought to engage with WAV in consensual discussions to facilitate the return of the OOIM Vessels and the Jascon 30 to the Group. At this time, no agreement has been reached with WAV. The Group nevertheless remains open to achieving a consensual resolution to all on-going disputes with WAV. However, if an agreement cannot be reached, the Group is committed to recovering and protecting its assets in Nigeria to ensure that they are available to service the on-going needs of the Nigerian oil and gas industry (together, the "**Actions**").

A summary of the material aspects of the key Actions as at the date of this Summons is set out below:

- (i) WAV commenced proceedings in Nigeria asserting co-ownership of several vessels owned by Group companies. On 14 December 2017, the relevant Nigerian court ruled in favour of the Group's position that the proceedings before the court should be stayed in favour of arbitration in London. WAV has sought leave to appeal the decision of the first instance judge and additionally sought to appeal the stay granted in favour of the arbitration proceedings. WAV's appeal in turn has been opposed by the Group;
- (ii) pursuant to an arrest application brought by WAV, the Jascon 30 has been subject to arrest since April 2017 at its location in port at Onne, Nigeria. A decision on the Group's preliminary objections in this case was handed down on 15 January 2018 in which the preliminary objections brought by the Group were dismissed and a date was set for a substantive hearing in March 2018. The Group has filed an appeal against this judgement;
- (iii) WAV has brought separate proceedings, which seek to assert that the Group is party to an alleged "non-compete" agreement (the "**NCA**") which WAV argues prevents it from operating in Nigeria and West Africa. The latest hearing in these proceedings in Nigeria took place on 16 January 2018. The hearing resulted in a postponement of the hearing for both preliminary objections and substantive matters to 15 February 2018. Additionally, the Liquidators, exercising their powers under BVI law, have given notice to the BVI court of a disclaimer of the NCA. This action is without prejudice to their and the Group's views, set out in legal submissions in the pertinent proceedings

that the NCA is not a valid document and, further, that for various different reasons, the Issuer and the vessel owning Subsidiaries are not bound by it;

- (iv) a Nigerian court hearing in the proceedings brought by certain Group companies against WAV and Guaranty Trust Bank plc (“GTB”) over a collateralized account at GTB was scheduled to take place on 18 January 2018, but notice was given that the presiding judge was transferred to a different court. As such, a new presiding judge is expected to be appointed imminently and a new hearing date scheduled;
- (v) various Group companies have commenced arbitration proceedings in London aimed at recovering certain vessels owned by the Group that are currently held by WAV. The arbitrator gave WAV a deadline of 11 January 2018 to appear and file its defence in the arbitration, which WAV failed to meet. The arbitration is now expected to proceed in line with the timetable set by the arbitrator. A one day hearing in this arbitration has been set for 19 April 2018. The hearing will take place in London; and
- (vi) in addition to the arbitration proceedings referenced above, Group companies have commenced arbitration proceedings in London aimed at recovering certain vessels owned by the Group that were formerly held by WAV under bareboat charter agreements that have since been terminated or expired. A one day hearing on this arbitration has been set for 11 April 2018. The hearing will take place in London.

### 3. PROPOSED RESTRUCTURING

In conjunction with the Bond Trustee, who is advised by Akin Gump LLP and Houlihan Lokey, and an ad hoc committee of Bondholders and STG Bondholders (the “**Ad-hoc Committee**”), the Liquidators and the Current Directors have devised a proposal for the restructuring of the Group, as more particularly described herein and in the notice for a written resolution of the STG Bondholders dated on or around the date hereof (the “**Restructuring**” and the “**STG Summons**”).

In broad terms, the Restructuring would involve the sale of the DP3 fleet (excluding the Jascon 30) and business to a newly incorporated group of companies owned by the STG Bondholders. The STG Bondholders will exchange their STG Bonds for (i) shares in the new holding company which would acquire the DP3 fleet (excluding the Jascon 30) and business, and (ii) senior secured bonds issued by a direct subsidiary of that new holding company. Unlike the STG Bondholders, Bondholders will not receive shares in the holding company which would acquire the DP3 fleet (excluding the Jascon 30) from the Group, but would instead exchange their Bonds for new super senior secured bonds issued by a direct subsidiary of that new holding company. The newly incorporated companies are neither successors to, or related to, the existing Group.

This Summons contains the resolutions required to implement the Restructuring.

Bondholders should note that even if the resolution set out in this Summons is approved by the requisite number of Bondholders, the Restructuring will be subject to (i) the requisite number of STG Bondholders also providing their consent to the Restructuring pursuant to the

STG Summons, and (ii) none of the Transferring Companies (as defined below) having entered into any insolvency procedure (or any analogous proceeding in any jurisdiction), whether voluntary or involuntary, without the prior written approval of the Bond Trustee.

**In order to properly understand the terms of the Restructuring, it is recommended that Bondholders also read the schedules appended to this Summons in full.**

### 3.1 Overview of the Restructuring Steps

In contemplation of the Restructuring, a special purpose vehicle, Telford Offshore Holdings Limited (“**TOHL**”), has been incorporated in the Cayman Islands under the instruction of the Bond Trustee. TOHL was incorporated with share capital comprising one ordinary share with a nominal value of USD 1.00 (the “**Original Subscriber Share**”), which, as at the date of this Summons, is held by Estera Trust (Cayman) Limited (“**Estera Trust**”) for charitable purposes pursuant to a Cayman law governed declaration of trust. Various direct and indirect subsidiaries of TOHL have also been incorporated in the Cayman Islands in order to facilitate the acquisition of the DP3 fleet (excluding the Jascon 30) and business. TOHL and its direct and indirect subsidiaries are referred to herein collectively as the “**NewCo Group**”.

In summary, pursuant to the Restructuring, it is proposed that:

- (i) fixed charge receivers will be appointed by the STG Bond Trustee to the members of the Group which own the Jascon 25, the Jascon 31 and the Jascon 34 (the “**Vessel Sellers**”);
- (ii) the outstanding STG Bonds (including accrued cash pay interest thereon) will be transferred by the STG Bondholders to a newly incorporated direct subsidiary of TOHL, Telford Offshore Limited (“**TOL**”), in exchange for (1) new senior secured bonds issued by TOL in an amount of USD 175,000,000 (the “**Tranche B Bonds**”), and (2) an entitlement to receive 100% of the shares in TOHL;
- (iii) one third (1/3) by value of the Outstanding Bonds (after taking into account the redemption price of 105% of par which will be payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be repaid by TOL (the “**Partial Redemption**”) in accordance with Clause 10.2 (*Call Options*) of the Bond Agreement, using a portion of the cash subscription proceeds to be received by TOL from certain subscribers (the “**Tranche A1 Bondholders**”) for new super senior secured bonds to be issued by TOL in an amount of USD 38,000,000 (the “**Tranche A1 Bonds**”). The balance of the cash subscription proceeds from the issuance of the Tranche A1 Bonds will be used by the NewCo Group for working capital purposes, save that USD 10,000,000 of such cash subscription proceeds will be retained by TOL in a bank account which will be blocked and secured in favour of the security agent under the TOL Bond Agreement (as defined below). The Tranche A1 Bonds will be issued at an original issue discount of 6%. In order to facilitate the Partial Redemption, the Issuer is requesting that the Bondholders waive the requirement set out in Clause 10.2.2 of the Bond Agreement requiring the Issuer to notify the Bond Trustee in writing of any redemption of the Bond Issue in whole or in part, whether by one transaction or separate transactions and whether at any one time

or over a period of time (the “**Call Option**”), at least ten Business Days prior to the settlement date of such Call Option. The effect of such a resolution being approved is that, subject as follows, the Issuer need not provide the Bond Trustee with any prior notice of the Call Option;

- (iv) the remaining two thirds (2/3) by value of the Outstanding Bonds (after taking into account the redemption price of 105% of par which will be payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be cancelled in exchange for the issuance by TOL of further new senior secured bonds to the Bondholders (the “**Tranche A2 Bonds**”, and the “**Tranche A2 Bondholders**”, together with the Tranche A1 Bonds and the Tranche A1 Bondholders being the “**Tranche A Bonds**” and the “**Tranche A Bondholders**”, and the Tranche A Bonds together with the Tranche B Bonds being the “**TOL Bonds**”) (the “**Bond Exchange**”). The Tranche A2 Bonds will be issued to the Bondholders on a *pro rata* basis, at an original issue discount of 6%;
- (v) the Tranche A Bonds and the Tranche B Bonds will be constituted in a single bond agreement and will be delivered to the Bondholders and the STG Bondholders, respectively, via the VPS system. To replicate the existing relationship between the Bonds and the STG Bonds, the Tranche A Bonds will rank senior to the Tranche B Bonds. Both the Tranche A Bonds and the Tranche B Bonds will benefit from the same extensive guarantee and security package;
- (vi) each of the DP3s will be sold by the relevant Vessel Seller (acting through its fixed charge receivers) to the NewCo Group;
- (vii) in order to provide operational support for the DP3s post-completion of the Restructuring, the Parent (acting through the Liquidators) will also sell the existing DP3 operating business to the NewCo Group. The sale of the existing DP3 operating business to the NewCo Group will be implemented pursuant to a sale by the Parent (acting through the Liquidators) of certain Subsidiaries (the “**Transferring Companies**”);
- (viii) post-completion of the Restructuring, the Parent (in liquidation) will remain the parent company of a corporate group (the “**OldCo Group**”) which will primarily consist of vessel owning entities which hold the OOIM Vessels. The OOIM Vessels vary by type but are generally smaller service vessels operating in Nigeria. With the exception of the Jascon 30, no assets or operational functions which are material to the DP3 business would remain within the OldCo Group; and
- (ix) post-completion of the Restructuring, the Liquidators and the OldCo Group (with the support of certain local authorities) will continue with the Actions seeking (among other matters) to repossess the Jascon 30 and the OOIM Vessels for the benefit of TOL in its capacity as the sole STG Bondholder and the OldCo Group’s secured creditor and will continue with other investigations and potential legal actions in connection with certain historical transactions which the Liquidators believe may have prejudiced Bondholders and the Group. The Restructuring also contemplates certain arrangements being put in place between the NewCo Group and the OldCo Group in

relation to the funding and supervision of the Actions, the ongoing investigations, certain other legal actions and the subsequent wind-down of the OldCo Group.

Additional detail on certain of these steps is provided below.

### 3.2 Receivership Appointments

In contemplation of the Restructuring, and for the purposes of facilitating the potential award of a commercial contract to the NewCo Group, on 6 November 2017, the STG Bond Trustee received a written instruction from more than 50% of the STG Bondholders to appoint fixed charge receivers over the Jascon 28, being a vessel owned, at that time, by Nemo Enterprises Limited (“**Nemo**”). Following receipt of this STG Bondholder instruction, on 6 November 2017, Chad Griffin and Simon Kirkhope, both of FTI Consulting LLP, were formally appointed by the STG Bond Trustee as joint fixed charge receivers over the Jascon 28 (the “**Jascon 28 Receivers**”) and on that same date, Nemo (acting through the Jascon 28 Receivers) sold the Jascon 28 to Telford 28 Limited, an indirect subsidiary of TOHL and TOL, pursuant to the terms of a sale and purchase agreement entered into between Nemo, the Jascon 28 Receivers, TOL and Telford 28 Limited (the “**J28 SPA**”). The consideration for the sale of the Jascon 28 was deferred. Please see section 3.6 below for further details as to when this consideration will be payable.

As explained above and in the STG Summons, it is proposed that the STG Bond Trustee will also appoint joint fixed charge receivers over the DP3 vessels owned by each of the other Vessel Sellers (the “**Receivers**”). The appointment of the Receivers is a preliminary step aimed at ultimately facilitating a sale of the remaining DP3s by the Vessel Sellers to the NewCo Group (see sections 3.3 and 3.6 below for further details).

### 3.3 Signing of SPA

Following the appointment of the Receivers, a sale and purchase agreement (the “**SPA**”) would be signed by the Parent, the Liquidators, the Receivers, certain Subsidiaries and certain entities within the NewCo Group, pursuant to which:

- (i) the Vessel Sellers (acting through the Receivers) would sell each of the DP3s (other than the Jascon 28, which has already been sold to the NewCo Group on 6 November 2017 pursuant to the terms of the J28 SPA) to the NewCo Group (the “**Vessel Sales**”); and
- (ii) the Parent (acting through the Liquidators) would sell the DP3 operating business to the NewCo Group (the “**Non-Vessel Sale**” and together with each of the Vessel Sales, the “**Asset Sales**”).

As is usual in the case of sales of assets owned by companies in insolvency proceedings, the SPA would contain no representations and warranties as to title or other matters in relation to the Asset Sales. Further details on the Asset Sales are contained at section 3.6 below.

The consideration for the Vessel Sales and the sale of the Jascon 28 (being (i) a partial release of STGL’s obligations to TOL to repay amounts due under the outstanding STG Bonds in an

amount equal to USD 215,000,000 and (ii) a release of each Vessel Seller from the limited recourse covenant to pay which it has given in respect of the Bonds under the relevant existing security documents), and part of the consideration for the Non-Vessel Sale (being a release of the Issuer from its obligations in respect of the Outstanding Bonds) will, in each case, will be deferred until such time as, respectively, TOL acquires all of the outstanding STG Bonds pursuant to the Bond Claims Transfer (see section 3.4(i) below) and all of the Outstanding Bonds are repaid in cash or in kind in accordance with the transaction documents relating to the Restructuring.

### 3.4 Bonds to be transferred to TOL in consideration for new bonds issued by TOL

#### (i) *Transfer of Bonds*

All of the outstanding STG Bonds will be acquired by TOL such that it becomes the sole STG Bondholder (the “**Bond Claims Transfer**”). The outstanding STG Bonds will then be deposited in a VPS account in the name of NT Services AS as security for TOL’s obligations under the TOL Bond Agreement. As described below, an amount of USD 215,000,000 in respect of the outstanding STG Bonds will subsequently be cancelled pursuant to the Vessel Sales and the sale of the Jascon 28.

#### (ii) *TOHL Share Issuance*

In consideration for the Bond Claims Transfer, STG Bondholders will be entitled to receive their *pro rata* entitlement to (a) Tranche B Bonds (see section 3.4(iii) below); and (b) 100% of the equity in TOHL.

TOHL will issue up to 10,000,000 new ordinary shares to the STG Bondholders (the “**TOHL Shares**”). Following the issuance of the TOHL Shares, TOHL will cancel the Original Subscriber Share which was issued to, and is currently held by, Estera Trust. Each STG Bondholder shall be entitled to receive approximately one TOHL Share for every USD 45.60611 principal amount of Bonds it holds as at 9am Oslo time on Friday 9 February 2018 (the “**Record Date**”).

#### (iii) *TOL Bond Issuance*

In consideration for the Bond Claims Transfer, the STG Bondholders will also receive the Tranche B Bonds, issued by TOL in an aggregate principal amount of USD 175,000,000 on Monday 12 February 2018 (the “**Completion Date**”). The Tranche B Bonds will be issued to the STG Bondholders *pro rata* to the principal amount of their outstanding STG Bonds.

Furthermore, one third (1/3) by value of the Outstanding Bonds on closing (after taking into account the redemption price of 105% of par which is payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be repaid from the cash subscription proceeds received by TOL in respect of the Tranche A1 Bond issuance. The remaining two thirds (2/3) by value of the Outstanding Bonds on closing (after taking into account the redemption price of 105% of par which is payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be exchanged for the Tranche A2 Bonds. The Tranche A2 Bonds will be issued to the



Bondholders on a *pro rata* basis, at an original issue discount of 6%. The holders of the Tranche A1 Bonds will benefit from certain protections against fundamental changes being made to the terms of the Tranche A1 Bonds. Likewise, holders of the Tranche A2 Bonds will benefit from certain protections against fundamental changes being made to the terms of the Tranche A2 Bonds. Otherwise, the Tranche A1 Bonds and the Tranche A2 Bonds will be issued on exactly the same terms.

The Tranche A Bonds and the Tranche B Bonds will be constituted in a single bond agreement (the “**TOL Bond Agreement**”) to be entered into by TOL (as issuer) and Nordic Trustee AS in its capacity as bond trustee for the TOL Bonds (the “**TOL Bond Trustee**”). A copy of the TOL Bond Agreement is appended hereto at Schedule 3.

Irrevocable instructions to issue the Tranche A2 Bonds will be delivered to the Securities Depository on the date of signing the TOL Bond Agreement, following which the Tranche A2 Bonds will automatically be delivered to Bondholders shortly after the Completion Date through the Securities Depository.

Certain provisions of the TOL Bond Agreement are based on the Bond Agreement. However, a number of amendments have been made to take account of the NewCo Group’s anticipated business plan and requirements. For example, the existing voting and enforcement provisions set out in the Bond Agreement will be amended in the TOL Bond Agreement to provide for three separate “enforcement periods”, as follows:

- (a) **Period 1:** during the first 90 days after the occurrence of an event of default arising from a payment default, or during the first 120 days in the case of any other event of default, only the Tranche B Bondholders (acting by Tranche B Bondholders representing at least a simple majority of the Tranche B Bonds which are “Voting Bonds” (as defined in the TOL Bond Agreement) and are represented at a Bondholders’ Meeting or vote on a Written Resolution) will be entitled to provide enforcement instructions to the TOL Bond Trustee under the TOL Bond Agreement;
- (b) **Period 2:** following the expiry of Period 1 above and for the remainder of the 12 months after the occurrence of the relevant event of default, the Tranche A Bondholders and the Tranche B Bondholders (acting by Tranche A Bondholders and Tranche B Bondholders who together represent at least a simple majority of “Voting Bonds” (as defined in the TOL Bond Agreement) and are represented at a Bondholders’ Meeting or vote on a Written Resolution) will be entitled to provide enforcement instructions to the TOL Bond Trustee under the TOL Bond Agreement; and
- (c) **Period 3:** following the expiry of Period 2 above and at all times thereafter, only Tranche A Bondholders (acting by Tranche A Bondholders representing at least a simple majority of the Tranche A Bonds which are “Voting Bonds” (as defined in the TOL Bond Agreement) and are represented at a Bondholders’ Meeting or vote on a Written Resolution) will be entitled to provide enforcement instructions to the TOL Bond Trustee under the TOL Bond Agreement.

Following the partial repayment of one third (1/3) by value of the Outstanding Bonds (after taking into account the redemption price of 105% of par which is payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon), USD 10,000,000 of the remaining balance of the cash subscription proceeds for the Tranche A1 Bonds will be retained by NT Services AS (in its capacity as escrow manager) in an escrow account until such time as a new bank account is established in TOL's name which is blocked and secured in favour of, and to the satisfaction of, the security agent under the TOL Bond Agreement. Once the USD 10,000,000 is transferred to that blocked bank account, the TOL Bond Trustee may release cash back to TOL from that account from time to time on the instruction of holders of a simple majority of the Tranche A Bonds. The balance of the blocked account from time to time would also be included in the calculation of the NewCo Group's cash for the purposes of the cash sweep provisions set out in the TOL Bond Agreement. In the event that a cash sweep payment is required to be made at any time under the TOL Bond Agreement while cash remains in the blocked account, the cash sweep payment will be made by the TOL Bond Trustee to the Tranche A Bondholders first from the monies held in the blocked account, and only secondly from the free cash available to the NewCo Group. Similarly, any funds standing to the credit of the blocked account at the time of any early or final redemption of the Tranche A Bonds will be applied first in redemption of the Tranche A Bonds, with any undischarged balance of the Tranche A Bonds being funded from the NewCo Group's free cash. However, funds standing to the credit of the blocked account may only be used to fund a call option (i.e. early redemption) in respect of the Tranche A Bonds if the NewCo Group meets the minimum liquidity threshold set out in the TOL Bond Agreement.

*(iv) Security and Guarantees for TOL Bonds*

The TOL Bonds will be guaranteed on an unconditional and irrevocable basis by TOHL and each of TOL's material direct and indirect wholly owned subsidiaries from time to time. As outlined in the TOL Bond Agreement, the TOL Bonds will also be secured by, without limitation, the following security interests:

- (a) new share security interests over the Cayman incorporated entities within the NewCo Group, other than TOHL;
- (b) new bank account pledges over all material bank accounts operated by entities within the NewCo Group, including (once established) the blocked account into which USD 10,000,000 will be paid from the cash subscription proceeds of issuance of the Tranche A1 Bonds and any material existing bank accounts operated by the Transferring Companies which will be acquired by the NewCo Group pursuant to the Non-Vessel Sale;
- (c) secondary Gibraltar law governed statutory vessel mortgages in respect of each of the DP3s and an assignment by way of security of insurances in respect of each of the DP3s (the existing Gibraltar law governed statutory vessel mortgages over the DP3s which secure the STG Bonds (which will be held by TOL) will remain in place, but the rights of TOL and the STG Bond Trustee in respect of those vessel mortgages and any related proceeds of enforcement will be subject to the terms of the Subordination Agreement (as defined below in section 3.6));

- (d) security over all outstanding intercompany receivables within the NewCo Group, as well as over any receivables due to the NewCo Group from the OldCo Group following completion of the Restructuring that arise under the Funding Agreement (as defined in section 3.6 below);
- (e) a Norwegian law governed transfer of title security agreement in respect of the STG Bonds, which will be held in a VPS account by NT Services AS on behalf of NT as security for the TOL Bonds (the claims in respect of the STG Bonds will also be subject to certain terms of the Subordination Agreement);
- (f) floating charges over assets of certain members of the NewCo Group; and
- (g) if so required by the TOL Bond Trustee, an assignment of any intra group contracts entered into in respect of a secured vessel for a term of at least twelve months.

(v) *Future Credit Facilities and Intercreditor Principles*

The NewCo Group may in the future need to provide performance bonds, guarantees, and letters of credit to certain commercial counterparties. It is therefore proposed that the TOL Bond Agreement permits the NewCo Group to enter into one or more facilities which allow for the provision of performance bonds, guarantees, and letters of credit to commercial counterparties (the “**Bonding Line**”). The amount of funding which may be incurred from time to time under the Bonding Line will be capped at USD 20,000,000. The TOL Bond Agreement will provide that the Bonding Line may rank either *pari passu* with the Tranche A Bonds but senior to the Tranche B Bonds, or senior to both the Tranche A Bonds and the Tranche B Bonds and, in both cases, will share the security which is to be granted for the TOL Bonds.

In addition, it is proposed that the TOL Bond Agreement should allow the NewCo Group to enter into a new term loan facility or revolving loan facility provided that (X) all amounts borrowed thereunder must be applied in repayment of all outstanding principal amounts with respect to the Tranche A Bonds, and (Y) the economic terms of the loan to be made thereunder are not more favourable to the lender(s) thereunder than the terms of the Tranche A Bonds immediately before they are repaid (the “**Refinancing Facility**”, and together with the Bonding Line, the “**Credit Facilities**”, each being a “**Credit Facility**”). Any Refinancing Facility will rank senior to the Tranche B Bonds, in place of the Tranche A Bonds. The Refinancing Facility may itself be refinanced and the amount of funding which may be incurred under any such refinanced Refinancing Facility shall be capped at an amount equal to the principal amount of the Refinancing Facility at the time it is refinanced.

If a Credit Facility is entered into, the Credit Facility Providers will share in the same security package that the Tranche A Bondholders and the Tranche B Bondholders will benefit from, pursuant to the terms of the trust declared by Nordic Trustee AS as the security agent (the “**Security Agent**”) under an English law security trust deed (the “**Security Trust Deed**”). The Credit Facility(ies) will also be permitted to receive the benefit of guarantees from the

members of the NewCo Group which guarantee the Tranche A Bonds and the Tranche B Bonds.

The TOL Bond Agreement will also include certain intercreditor principles (see schedule 3 of the attached copy of the TOL Bond Agreement) (the “**Intercreditor Principles**”) and permit the NewCo Group and the TOL Bond Trustee to agree and enter into an intercreditor agreement with the providers of any Credit Facility that is entered into, without further approval from the TOL Bondholders, provided that it complies in all material respects with the constraints set out in the Intercreditor Principles (the “**Intercreditor Agreement**”). The Intercreditor Principles will provide for the Bonding Line to rank either *pari passu* with the Tranche A Bonds but senior to the Tranche B Bonds, or senior to both the Tranche A Bonds and the Tranche B Bonds. The Intercreditor Principles will also permit a Refinancing Facility to rank senior to the Tranche B Bonds, in place of the Tranche A Bonds. Any intercreditor arrangements which do not comply with the Intercreditor Principles would require further TOL Bondholder approval.

Until such time as a Credit Facility has been entered into, the distribution of any proceeds of enforcement of the security interests under the Tranche A Bonds and the Tranche B Bonds will be governed by the priorities of payment contained in the TOL Bond Agreement, which will provide that the Tranche A Bonds rank senior to the Tranche B Bonds. However, once a Credit Facility and the Intercreditor Agreement is in place, the application of proceeds from any enforcement between the Tranche A Bondholders, the Tranche B Bondholders and the Credit Facility provider(s) will be governed by the Intercreditor Agreement.

The Intercreditor Principles propose that the enforcement rights under the Intercreditor Agreement should broadly mirror the TOL Bond Agreement vis a vis the Tranche A Bondholders and the Tranche B Bondholders (as described above in para 3.4(iii) above), except that the Credit Facility providers shall be entitled to vote alongside the Tranche A Bondholders. Accordingly, the Intercreditor Principles provide that (a) during Period 2, secured creditors (i.e. the Tranche A Bondholders, the Tranche B Bondholders, and all Credit Facility providers) representing more than 50.00 per cent. of the aggregate principal amount outstanding under the TOL Bond Agreement and the Credit Facility(ies) will vote together in relation to the provision of any enforcement instructions to the Security Agent, and (b) following the expiry of Period 2 and at all times thereafter, Tranche A Bondholders and Credit Facility providers (irrespective of whether the Bonding Facility (if any) ranks senior to the Tranche A Bonds or *pari passu* to the Tranche A Bonds) together representing more than 50.00 per cent. of the aggregate principal amount outstanding under the Tranche A Bonds and the Credit Facility(ies) will vote together in relation to the provision of any enforcement instructions to the Security Agent.

(vi) *Receipt of TOL Bonds*

Bondholders will, without any further action required on their part, receive their *pro rata* allocation of Tranche A2 Bonds shortly after the Completion Date. Pursuant to Clause 18.4.2 of the Bond Agreement, the Bond Trustee has access to the Securities Depository for the purposes of reviewing the ownership of the Bonds registered in the Securities Depository in order that it may carry out its functions and obligations under the Bond Agreement. The Bond

Trustee shall be given authority by Bondholders for the aforementioned authorisation to apply in respect of the issuance of the Tranche A2 Bonds to Bondholders by TOL (the “**Securities Depository Authorisation**”).

The TOL Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or under the laws of any state or territory of the United States, and will be issued in reliance upon an exemption from the registration requirements of the U.S. Securities Act. The TOL Bonds issued in the United States will be “restricted securities” (as defined in Rule 144 under the U.S. Securities Act). The TOL Bonds may not be reoffered, resold, pledged or otherwise transferred, except:

- (a) to the issuer of the relevant TOL Bonds;
- (b) to a person whom the Bondholder and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A (as defined in section 8 below);
- (c) in an “offshore transaction” in accordance with Regulation S under the U.S. Securities Act;
- (d) in accordance with Rule 144 under the U.S. Securities Act (if available);
- (e) pursuant to any other exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or
- (f) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

This Summons does not constitute a financial promotion for the purposes of section 21 of the United Kingdom Financial Services and Markets Act 2000.

### **3.5 Release of Intercompany Claims**

In order to facilitate the Restructuring, pursuant to certain deeds of settlement and release entered into between various entities within the Group (the “**Claims Release Agreements**”), certain intercompany claims between members of the Group will be assigned, set-off or released, such that most of the claims between entities within the OldCo Group and the Transferring Companies will be released. Accordingly, the principal outstanding debt that will exist between the NewCo Group and the OldCo Group post-completion of the Restructuring will be the STG Bonds and any future debt incurred pursuant to the Funding Agreement (as defined in section 3.6 below). The STG Bond Trustee will enter into a deed of release to release its security interests over any intercompany claims which are currently secured in its favour if and to the extent only that they are to be the subject of the Claims Release Agreements in connection with the completion of the Non-Vessel Sale.

### **3.6 Consideration for Asset Sales**

Consideration for the Vessel Sales and the sale of the Jascon 28 will take the form of (i) a release of each Vessel Seller from the limited recourse covenant to pay which it has given in respect of the STG Bonds under the relevant existing security documents; and (ii) a partial release of amounts in respect of the STG Bonds (the Outstanding Bonds being held by, at the relevant time, TOL) in an amount equal to USD 215,000,000.

Consideration for the Non-Vessel Sale will take the form of (i) a full release of TOL's claim against the Issuer following (1) TOL's repayment of one-third (1/3) by value of the Outstanding Bonds (after taking into account the redemption price of 105% of par which is payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) from a portion of the cash subscription proceeds to be received from the Tranche A1 Bondholders in respect of the Tranche A1 Bond issuance, and (2) TOL's assumption of the Issuer's remaining liabilities under the Outstanding Bonds (after taking into account the redemption price of 105% of par which is payable on the Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) pursuant to TOL's issuance of the Tranche A2 Bonds to the Bondholders; (ii) TOL's entry into a management services agreement with STG and the Liquidators pursuant to which TOL shall provide (or procure the provision of) certain management services to the OldCo Group post-completion of the Restructuring (the Non-Vessel Sale operating as a good discharge of any obligation of the Issuer to pay the fees payable under that agreement for the first two years after it comes into force); and (iii) TOL's entry into a funding agreement with members of the OldCo Group (including STG) pursuant to which TOL shall agree to provide on-going funding to the OldCo Group in respect of certain costs and expenses of the OldCo Group post-completion of the Restructuring on the terms set out in that funding agreement (the "**Funding Agreement**").

The STG Bond Trustee's existing share security interests in relation to the assets which are subject to the Non-Vessel Sale will also be released by the STG Bond Trustee pursuant to the STG Bond Trustee entering into one or more deeds of release in favour of the Issuer. Pursuant to the terms of a subordination agreement entered into between TOL, the STG Bond Trustee and the TOL Bond Trustee, the TOL Bond Trustee shall have the right, amongst other things, to give any instructions in relation to the enforcement or release of the existing first ranking Gibraltar law governed statutory vessel mortgages over the DP3s, and to receive the proceeds of any sale of the DP3s (the "**Subordination Agreement**").

As explained at section 3.3 above, the consideration for the Vessel Sales and the sale of the Jascon 28 which took place on 6 November 2017 pursuant to the J28 SPA and part of the consideration for the Non-Vessel Sale will be deferred until such time as the Bond Claims Transfer has been completed in the VPS system and the Outstanding Bonds have been partially repaid in cash, and the balance of the Outstanding Bonds has been exchanged for Tranche A2 Bonds through the VPS system.

### 3.7 Release

In order to facilitate, and with effect from the completion of, the Restructuring, the Bond Trustee will also agree to waive any breach of any provision of the Finance Documents that would arise as a result only of a member of the Group entering into, or performing its obligations under, any document relating to the Restructuring and will consent to the members of the Group taking such action. The Bond Trustee will not waive any other Events

of Default under the terms of the Bond Agreement which have already occurred or which may occur other than in connection with the implementation of the Restructuring and the Bonds will remain immediately due and payable.

#### 4. PROPOSED RESOLUTION

In light of the above, the Bond Trustee requests that the Bondholders adopt the following resolution (the “**Proposed Resolution**”):

“Subject to the final paragraph of this resolution, the Bondholders:

- (i) waive the requirement set out in Clause 10.2.2 of the Bond Agreement that the Issuer notifies the Bond Trustee in writing of the exercise of the Call Option at least ten Business Days prior to the settlement date of such Call Option, such that the Issuer need not provide the Bond Trustee with any prior notice of the Call Option;
- (ii) approve and ratify the appointment of the Jascon 28 Receivers and the subsequent sale of the Jascon 28 to the NewCo Group which took place on 6 November 2017;
- (iii) approve and/or ratify the sale of certain assets from one Group Company to another Group Company, as specifically required for the purpose of facilitating the Restructuring;
- (iv) approve the appointment of the Receivers;
- (v) approve the Vessel Sales;
- (vi) approve the Non-Vessel Sale;
- (vii) instruct the Bond Trustee (in consultation with its advisers) to do all things and take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Partial Redemption;
- (viii) approve the Bond Exchange in consideration for the issuance to Bondholders of their *pro rata* entitlement of the Tranche A2 Bonds;
- (ix) authorise the Securities Depository Authorisation, and authorise the Bond Trustee to issue any other direction or instruction, enter into any document, and to take any such steps as are required in order for the Bond Exchange to become effective at the appropriate point in time in the Restructuring;
- (x) approve the issuance of the TOL Bonds and the entry into the TOL Bond Agreement and authorise the Bond Trustee to take any such steps and enter into any such documentation which may be necessary to implement the transactions contemplated by the TOL Bond Agreement, including but not limited to, the relevant security agreements;

- (xi) instruct the Bond Trustee to (a) waive any provision of the Finance Documents that would otherwise be breached by any member of the Group entering into, or performing its obligations under, any of the documents to be entered into for the purposes of implementing the transactions described herein and any other document relating to the Restructuring, and (b) provide its consent to each member of the Group taking any action or entering into any transaction which that member of the Group is permitted or required to take or enter into under the terms of the documents entered into to implement the transactions described herein and any other document relating to the Restructuring, notwithstanding that such action or transaction is not a permitted action or transaction under the terms of any such Finance Document. For the avoidance of doubt, any Events of Default under the Bond Agreement which have already occurred or may occur other than in connection with the transactions described herein and the implementation of the Restructuring will not be waived;
- (xii) instruct the Bond Trustee to irrevocably and unconditionally release any and all claims it may have against any Current Director in relation to or in connection with or in any way arising out of the preparation, negotiation or implementation of the Restructuring, save for any claims which arise out of or result from an act of gross negligence, wilful default or fraud, by that Current Director; and
- (xiii) instruct the Bond Trustee (in consultation with its advisers) to do all things and 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:
  - a. authorising and approving the final terms of, and entering into, any and all documentation and agreements deemed necessary or desirable by the Bond Trustee in connection with the implementation of the Restructuring; and
  - b. consenting to amendments to the terms of the TOL Bond Agreement and any other document relating to the Restructuring on behalf of Bondholders where such amendments (1) are of a minor or technical nature or (2) are otherwise consistent with the terms of those documents and are required in order to implement the Restructuring, or (3) where they are not of a minor or technical nature but would not adversely affect the position of the Bondholders,

such authorisations and instructions to take effect as a Written Resolution.

If written approval of the STG Bondholders who, together, represent in aggregate at least a simple majority of the Voting Bonds (as that term is defined in the bond agreement for the STG Bonds) is not received by the Voting Deadline (as defined below) (or such later date as may be agreed by the STG Bond Trustee) and/or definitive documentation required to implement the Restructuring has not been entered into by each of the relevant signatories by 5:00 pm (Oslo) on 31 March 2018 (or such later date as may be agreed by the STG Bond Trustee), any Bondholder consents or approvals set out in the Proposed Resolution shall automatically terminate (and shall no longer continue in effect) without any further action being required by any party.”



## 5. NON-RELIANCE

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee or the Ad-hoc Committee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee or the Ad-hoc Committee. The Bondholders must independently evaluate the Proposed Resolution and vote accordingly.

None of the Bond Trustee or its agents, advisers and representative, the Issuer or its agents, advisers and representatives or the Ad-hoc Committee accepts any responsibility to Bondholders in relation to the impact of the Proposed Resolution on Bondholders' tax or accounting affairs. Each Bondholder should consult their own independent legal adviser in relation to any tax and/or accounting implications of the Proposed Resolution.

## 6. PRE-ACCEPTANCE

The Bond Trustee has received confirmation from Bondholders holding in excess of 90% of the Outstanding Bonds that they will vote in favour of the Proposed Resolution.

## 7. FURTHER INFORMATION

For further questions to the Bond Trustee, please contact:

Olav Slagsvold  
Nordic Trustee AS  
Email: [slagsvold@nordictrustee.com](mailto:slagsvold@nordictrustee.com)  
Tel: +47 90 66 38 38

## 8. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 16.5 (*Written Resolutions*) of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 1 (the "**Voting Form**") no later than 10.00 hours (Oslo time) on Friday 9 February 2018 (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5 (*Written Resolutions*) of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this Summons represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting at which all Bondholders entitled to attend and vote thereat were present and voting.

Each Bondholder who votes in favour of the Proposed Resolution is deemed to represent, warrant and agree that:

- (i) it is, and at the time of receipt of the TOL Bonds will be, either:
  - (a) located outside the United States (within the meaning of Regulation S under the U.S. Securities Act); or
  - (b) either:
    - (i) a “qualified institutional buyer” (“**QIB**”) as defined under in Rule 144A (“**Rule 144A**”) of under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”); or
    - (ii) an institutional “accredited investor” (“**IAI**”) within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act; or
    - (iii) an entity wholly owned by any person that is an “accredited investor” within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act; or
  - (c) if it is located outside the United States (within the meaning of Regulation S under the U.S. Securities Act), and it is a person whose ordinary activities involve it in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of its business and who has professional experience in matters relating to investments, and:
    - (i) if it is established in a member state of the European Economic Area (“**EEA**”), it is a “qualified investor” as defined in Article 2.1(e) of Directive 2003/71/EC as amended, including by the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU) and to the extent implemented in the relevant member state of the EEA (the “**Prospectus Directive**”); and
    - (ii) if it is established in the United Kingdom, is an investment professional and as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or in Article 49(2)(a) to (d) of the Order (“**UK Qualified Investors**”); or
    - (iii) is otherwise a person to whom the TOL Bonds may lawfully be offered under applicable laws and regulations, including as a result of being a person defined in Part I of Annex II of Directive 2004/39/EC and (“permitted investor”),

it will acquire TOL Bonds:

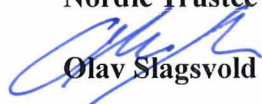
- (i) for its own account; or
- (ii) for the account of a QIB or IAI and for investment purposes only and not with a view to or for the purposes of offer, resale, or distribution thereof within the meaning of the U.S. Securities Act; or

- (iii) the account of a “qualified investor” as defined in Article 2.1(e) of the Prospectus Directive; or
  - (iv) the account of UK Qualified Investors; or
  - (v) the account of a permitted investor;
- (ii) it understands and agrees that:
  - (a) the TOL Bonds will not be registered under the U.S. Securities Act or under the laws of any state or territory of the United States;
  - (b) the TOL Bonds issued in the United States will be “restricted securities” (as defined in Rule 144 under the U.S. Securities Act); and
  - (c) the TOL Bonds may not, directly or indirectly, be reoffered, resold, pledged or otherwise transferred within the United States, except:
    - (i) to the issuer of the relevant TOL Bonds;
    - (ii) to a person whom the Bondholder and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A;
    - (iii) in an “offshore transaction” in accordance with Regulation S under the U.S. Securities Act;
    - (iv) in accordance with Rule 144 under the U.S. Securities Act (if available);
    - (v) pursuant to any other exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or
    - (vi) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction;
- (iii) it has not offered or sold and will not offer or sell any TOL Bonds to any person in the European Economic Area (including the United Kingdom), except to qualified investors as defined in Article 2.1(e) of the Prospectus Directive or to UK Qualified Investors or to permitted investors, and has not communicated or caused to be communicated and will not communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) relating to the TOL Bonds other than in circumstances in which it is permitted to do so pursuant to section 21 of FSMA, and has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the TOL Bonds in, from or otherwise involving the United Kingdom; and

(iv) it has had access to and has received such financial and other information regarding the Issuer, TOHL, and the TOL Bonds as it deems necessary in order to make its investment decision; and (VI) it is a sophisticated institutional investor with such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the TOL Bonds.

Votes which are submitted are final and cannot be withdrawn. In the event that Bonds are transferred to a new owner after votes have been submitted in respect of such Bonds, the new Bondholders shall accordingly not be entitled to submit a vote.

Yours sincerely  
**Nordic Trustee AS**



**Olav Slagsvold**

**Enclosed:**

Schedule 1: Voting Form  
Schedule 2: Business Plan  
Schedule 3: TOL Bond Agreement

## SCHEDULE 1

## Voting Form

**ISIN NO: 001 0798077 – Sea Trucks International Limited Callable Bond Issue 2017/2018**

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposed Resolution as defined in the Notice for a Written Bondholders' Resolution dated 6 February 2018

☐ **In favour** of the Proposed Resolution

☐ **Against** the Proposed Resolution

ISIN NO 001 0798077	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,<sup>1</sup> verifying our bondholding in the bond issue as of \_\_\_\_\_.

We acknowledge that Nordic Trustee AS in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....  
Place, date

.....  
Authorised signature

**Return:**

Nordic Trustee AS

P.O.Box 1470 Vika

N-0116 Oslo

Telefax: +47 22 87 94 10

Tel: +47 22 87 94 00

mailto: mail@nordictrustee.no

<sup>1</sup> If the bonds are held in custody other than in the VPS, evidence provided from the custodian confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are held, and (iii) the amount of bonds owned.

**SCHEDULE 2**  
**BUSINESS PLAN**

## Group Liquidity and NewCo Business Plan

Since 6 October 2017, the Group has been presenting to the Ad-hoc Committee versions of the Business Plan which have reflected updates to commercial circumstances. The material financial outputs (the “**Outputs**”) of the most recent update to the Business Plan are shown below in this Schedule.

The Business Plan contains financial projections relating to both:

- the NewCo Group, reflecting in H1 2018 the assumed utilization of the 4 DP3 vessels and the related businesses and operations to be transferred through the Restructuring and thereafter all 5 DP3 vessels; and
- estimated cash flows assumed to be provided by the NewCo Group to the OldCo Group pursuant to the Ongoing Funding Agreement

The publication of the Outputs should not be regarded as an indication that the Ad-hoc Committee who received the Business Plan, the Group’s management, or any other recipient of the Business Plan considered, or now considers, either the Business Plan or the Outputs to be reliable predictions of any future result. Readers of this Summons are cautioned not to, and should not, place undue reliance on any forward-looking aspect of this Summons, any element of the Business Plan or the Outputs or the negotiations which have taken place between the Ad-hoc Committee and the Group. No representations have been, or are being, made to any member of the Ad-hoc Committee regarding the Business Plan or the Outputs. The Group does not intend to update or otherwise revise the Business Plan or the Outputs to reflect circumstances existing or events occurring after the date of this Summons.

Historical financial information presented in respect of H2 2017 has been extracted from the Group’s unaudited management accounts. Financial information in respect of H1 2017 is not presented as the results for the period prior to the appointment of the Liquidators remains subject to ongoing review. No representations have been made, or are being made, as regarding the completeness or accuracy of this information.

**Summary financial outputs for the Group in H2 2017**

	<u>Notes</u>	(US\$m)
Revenue		71.2
EBITDA before exceptional costs		4.0
Exceptional costs	1	(12.8)
EBITDA		(8.8)
Working capital and other items		1.8
Capex and GST		(3.3)
Proceeds from financing	2	5.0
Financing costs	3	(1.2)
Net change in free cash balance		(6.6)
Free cash balance (actual at 31 Dec-17)	4	15.7

**Material financial outputs of the Business Plan for 2018 as at the date of this Summons**

	<u>Notes</u>	(US\$m)
NewCo Group Revenue (2018)		58.4
NewCo Group EBITDA before exceptional costs		6.5
Exceptional costs	5	(1.0)
EBITDA 2018		5.5
Working capital and other items		(27.5)
Capex and GST		(6.5)
Financing costs	6	(6.5)
Proceeds from financing	7	27.8
Net change in free cash (2018)	8	(7.2)
NewCo Group closing free cash balance (31 Dec-2018)	8	8.5
NewCo Group minimum free cash balance (2018)	8	8.5

## Notes:

1. Exceptional costs in 2017 comprise the costs connected with the operational restructuring of the Group's businesses, fees and expenses incurred in connection with the Restructuring and costs associated with legal actions taken by the Group aimed at protecting and recovering the Group's assets.



2. Proceeds from financing in H2 2017 consists of the receipt of funds from the Liquidity Bond, US\$5m of which was received in early July 2017.
3. Pursuant to a standstill letter received by STIL from Nordic Trustee AS, acting in its capacity as bond trustee for the Liquidity Bonds, STIL did not make or procure the repayment due to be made on the Liquidity Bonds on 23 December 2017. The interest payment due on 23 December 2017 in respect of the Liquidity Bonds was made consistent with the terms of the Liquidity Bonds.
4. The free cash balance at 31 December 2017 reflects the free cash balance at the Group, prior to the implementation of the Restructuring.
5. NewCo Exceptional Costs in 2018 relate to the residual costs associated with the implementation of the Restructuring and operational restructuring.
6. The Business Plan assumes future interest payments on the TOL Bonds are made as scheduled.
7. Financing proceeds comprises the net additional liquidity provided to the NewCo Group from the issuance of the new Tranche A1 Bonds and the release of US\$ 2.1m from a blocked account held by the Bond Trustee into which funds in the DSRA and another Group account were swept. The Tranche A1 Bonds provide net additional liquidity of US\$ 25.7m (including the US\$ 11m to be held in two blocked accounts pledged to the holders of the TOL Bonds) after taking account of the discount on issue and the application of approximately US\$ 10m of the net proceeds in partial repayment of the Liquidity Bonds.
8. The NewCo Group net change in free cash in 2018, the free cash balance at 31 December 2018 and the minimum free cash balance for 2018 assume that the full US\$ 11m of blocked cash pledged to the holders of the TOL Bonds is released to the NewCo Group, but does not reflect the possible receipt of approximately US\$ 9m due from a client, payment/release of which remains uncertain at the date of this Summons.
9. In its Notice of a Written Bondholders' Resolution dated 15 June 2017, the Group notified the Bondholders of the material financial outputs of business plans developed prior to that date, including in respect of the years 2019 – 2021 inclusive. There have been no material updates to those business plans, which were based on, *inter alia*, market research conducted prior to that date. The Group notes that continuing uncertainty around the outcome of the Actions, along with potential developments in market conditions for the oil & gas services industry, are likely to impact both the assumptions made in and outputs derived from any business plan relating to those years.

**SCHEDULE 3**

**TOL Bond Agreement**

ISIN NO0010814627 (Tranche A1 Bonds)  
ISIN NO0010814643 (Tranche A2 Bonds)  
ISIN NO001\_\_\_\_\_ (Tranche B Bonds)

**BOND AGREEMENT**

between

Telford Offshore Limited (Cayman Islands)  
(Issuer of the Tranche A Bonds and the Tranche B Bonds)

and

Telford Offshore Holdings Limited (Cayman Islands)  
(Parent of the Issuer of the Tranche A Bonds and the Tranche B Bonds)

and

Nordic Trustee AS  
(**“Bond Trustee”**)  
on behalf of  
the Bondholders

in the bond issue of

the Tranche A Telford Offshore Limited (Cayman Islands)  
Senior Secured Callable Bond Issue 2018/2019  
(the **“Tranche A Bonds”**)

and

the Tranche B Telford Offshore Limited (Cayman Islands)  
Senior Secured Callable Bond Issue 2018/2024  
(the **“Tranche B Bonds”**)

DATED 06 FEBRUARY 2018

<b>Issuer:</b>	<b>Telford Offshore Limited (Cayman Islands)</b>
Company number / LEI-code	325591 / 254900ACC7Q7VVZK7Y27
with	
<b>Bond Trustee:</b>	<b>Nordic Trustee AS</b>
Company number / LEI-code	963 342 624 / 549300XAKTM2BMKIPT85
on behalf of the Bondholders in:	
Tranche A Bonds	
Tranche A1 Bonds	
	Telford Offshore Limited (Cayman Islands) 9 per cent. (plus the PIK Rate) Senior Secured Callable Bond Issue 2018/2019
with ISIN:	NO0010814627
Dated:	12 February 2018
Tranche A2 Bonds	
	Telford Offshore Limited (Cayman Islands) 9 per cent. (plus the PIK Rate) Senior Secured Callable Bond Issue 2018/2019
With ISIN:	NO0010814643
Dated:	12 February 2018
Tranche B Bonds	
	Telford Offshore Limited (Cayman Islands) 1 per cent. (plus Option 1 PIK Rate) <b>OR</b> 10 per cent. <b>OR</b> 4 per cent (plus the Option 3 PIK Rate) (at the option of the Issuer) Senior Secured Callable Bond Issue 2018/2024
with ISIN:	NO001_____
Dated:	12 February 2018

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in this Bond Agreement, which shall remain in effect for so long as any Bonds remain outstanding.

## **Table of Contents**

1.	MAIN TERMS OF THE BONDS	1
1.1.	Tranche A Bonds	1
1.2.	Tranche B Bonds	3
2.	INTERPRETATION	6
2.1.	Construction	29
3.	SPECIAL TERMS OF THE BONDS	29
3.1.	Use of proceeds	29
3.2.	Status	30
3.3.	Security	30
3.4.	Purchase and transfer of Bonds	31
4.	GENERAL TERMS OF THE BONDS	31
4.1.	Representations and warranties	31
4.2.	General covenants	33
4.3.	Special covenants	38
4.4.	Financial covenants	40
4.5.	Vessel covenants	41
4.6.	Information covenants	42
4.7.	Registration of Bonds	45
4.8.	Listing	45
4.9.	Payments in respect of the Bonds	45
4.10.	No amendments to the Ongoing Funding Agreement and Management Services Agreement	52
4.11.	Parent covenant	52
5.	EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	52
5.1.	Events of Default	52
5.2.	Notification of Event of Default	54
5.3.	Acceleration and Enforcement Action	54
6.	THE BONDHOLDERS	57
6.1.	Bond Agreement binding on all Bondholders	57
6.2.	Limitation of rights of action	57
6.3.	Bondholders' rights	58
7.	BONDHOLDERS' DECISIONS	58
7.1.	Authority of the Bondholders' Meeting	58
7.2.	Tranche A Bondholders' Entrenched Right Matters	59
7.3.	Tranche A1 Bondholders' Entrenched Right Matters	59
7.4.	Tranche A2 Bondholders' Entrenched Right Matters	59
7.5.	Tranche B Bondholders' Entrenched Right Matters	59
7.6.	Procedure for arranging a Bondholders' Meeting	60
7.7.	Voting rules	61
7.8.	Repeated Bondholders' Meeting	62
7.9.	Written Resolutions	62
7.10.	Tranche A Bondholder Representative	63
7.11.	Tranche B Bondholder Representative	64
7.12.	Ongoing Funding Agreement Termination Notice	64
8.	THE BOND TRUSTEE	65
8.1.	Power to represent the Bondholders	65
8.2.	The duties and authority of the Bond Trustee	65
8.3.	Equality and conflicts of interest	66

8.4.	Expenses, liability and indemnity	66
8.5.	Replacement of the Bond Trustee	67
9.	OTHER PROVISIONS	68
9.1.	Amendments and waivers	68
9.2.	Purchase of Bonds by the Group	68
9.3.	Defeasance	68
9.4.	Expenses	69
9.5.	Notices	69
9.6.	Contact information	69
9.7.	Governing law	70
9.8.	Jurisdiction	70
	SCHEDULE 1 COMPLIANCE CERTIFICATE	73
	SCHEDULE 2 CASH SWEEP CONFIRMATION CERTIFICATE	75
	SCHEDULE 3 INTERCREDITOR PRINCIPLES	76
	SCHEDULE 4 PERMITTED BONDING FACILITY TERMS	81
	PART I – SENIOR BONDING FACILITY TERMS	81
	PART II – SUPER SENIOR BONDING FACILITY TERMS	81
	SCHEDULE 5 SUPER SENIOR STEP-UP RATE FORMULA	82
	SCHEDULE 6 SUPER SENIOR STEP-UP RATE CERTIFICATE	83
	SCHEDULE 7 TRANCHE B BONDS INTEREST RATE ELECTION CERTIFICATE	85

## 1. MAIN TERMS OF THE BONDS

### 1.1. Tranche A Bonds

Tranche A Bonds Initial Bond Issue	59,487,832
Tranche A1 Bonds Initial Bond Issue	38,000,000
Tranche A2 Bonds Initial Bond Issue	21,487,832
Tranche A Bonds Issue Price	The Tranche A Bonds will be issued at an original issue discount equal to six (6) per cent. of the Tranche A Bonds Initial Nominal Amount.
Tranche A Bonds Initial Nominal Amount	1.00
Tranche A Bonds Currency	USD
Tranche A Bonds Issue Date	12 February 2018
Tranche A Bonds Maturity Date	31 December 2019
Tranche A Bonds Redemption Price	Subject to Clause 4.9.11 ( <i>Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium</i> ) of this Bond Agreement, 100 per cent. of the applicable Nominal Amount.
Tranche A Bonds Call	The Tranche A Bonds may be redeemed (in whole or in part) prior to the Tranche A Bonds Maturity Date (by one or a series of transactions) at the Tranche A Bonds Redemption Price plus all accrued but unpaid interest (accruing at the Tranche A Bonds Interest Rate) thereon (the " <b>Tranche A Bonds Call Price</b> ").
Tranche A Bonds Interest Payment Date	23 March, 23 June, 23 September and 23 December of each year and the Tranche A Bonds Maturity Date, with the first Tranche A Bonds Interest Payment Date following the Tranche A Bonds Issue Date being 23 March 2018.
Tranche A Bonds Interest Rate	<p>(a) Subject to paragraph (b) below, 9 per cent. per annum plus the Tranche A Bonds PIK Rate.</p> <p>(b) Unless and until all of the Tranche A Outstanding Bonds have become due and payable (whether by acceleration or otherwise), for each day (i) following the end of the Tranche B Bondholders Enforcement Period, and (ii) on which an Event of Default under Clause 5.1.1 (<i>Non-payment</i>) of this Bond Agreement is continuing, all Tranche A Outstanding Bonds (including, without limitation, any Tranche A Outstanding Bonds which are not then due for payment), shall, solely for the purposes of the rate at which interest accrues on</p>

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	<p>the Tranche A Outstanding Bonds under this Bond Agreement, be deemed not to have been paid on their due date such that the Tranche A Bonds Interest Rate with respect to all Tranche A Outstanding Bonds applicable on that day shall be increased in accordance with the provisions of Clause 4.9.2 (<i>Interest in the event of late payment of the Tranche A Bonds</i>) of this Bond Agreement.</p>
Tranche A Bonds PIK Rate	<p>(a) Subject to paragraphs (b) below, 6 per cent. per annum.</p> <p>(b) For each day during an Interest Period that a Credit Facility Provider has amounts outstanding (as a result of the issuance of standby or documentary letters of credit, performance bonds, or the issuance guarantees (drawn or undrawn)) under a Super Senior Bonding Facility to any Group Company, the Tranche A Bonds PIK Rate applicable on that day shall be increased by an amount equal to the Super Senior Step-Up Rate applicable to that day during that Interest Period in accordance with the provisions of Clause 4.9.5 (<i>Application of the Super Senior Step-Up Rate to the Tranche A Bonds PIK Rate</i>) of this Bond Agreement.</p> <p>The Tranche A Bonds PIK Rate interest payments shall be payable in kind and made in arrear on each Tranche A Bonds Interest Payment Date, the first Tranche A Bonds Interest Payment Date being 23 March 2018, by the issue of additional Tranche A Bonds by the Issuer to the Tranche A Bondholders on a pro rata basis, equivalent in amount to the interest which has accrued on the Tranche A Outstanding Bonds at the Tranche A Bonds PIK Rate since the last Tranche A Bonds Interest Payment Date (or, in the case of interest accrued to the first Tranche A Bonds Interest Payment Date, since the Tranche A Bonds Issue Date). For the avoidance of doubt, the issue of additional Tranche A Bonds in payment of interest accrued at the Tranche A Bonds PIK Rate shall be taken into account for the purposes of calculating both the amount of Tranche A Outstanding Bonds and the amount of interest accrued at the Tranche A Bonds Interest Rate that is payable on the Tranche A Outstanding Bonds on each following Tranche A Bonds Interest Payment Date. For the further avoidance of doubt, Tranche A1 Bonds shall be issued in payment of PIK Rate interest accrued on Tranche A1 Bonds, and Tranche A2 Bonds shall be issued in payment of PIK Rate interest accrued on Tranche A2 Bonds.</p>
Tranche A Bonds Day Count	30/360, which means that the number of days in the



Convention	calculation period in respect of which payment is being made divided by 360 days with 30-day months (unless (i) the last day of the calculation period is the 31 <sup>st</sup> day of a month but the first day of the calculation period is a day other than the 30 <sup>th</sup> or 31 <sup>st</sup> 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 (ii) the last day of the calculation 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).
Tranche A Bonds Business Day Convention	No adjustment.
Tranche A Bonds Listing	NA.
Tranche A Bonds Special Conditions	See Clause 3 ( <i>Special terms of the Bonds</i> ) of this Bond Agreement.

**1.2. Tranche B Bonds**

Tranche B Bonds Initial Bond Issue	175,000,000	
Tranche B Bonds Issue Price	100 per cent. of the Tranche B Bonds Initial Bond Issue	
Tranche B Bonds Initial Nominal Amount:	1.00	
Tranche B Bonds Currency	USD	
Tranche B Bonds Issue Date	12 February 2018	
Tranche B Bonds Maturity Date	12 February 2024, being six (6) years after the Tranche B Bonds Issue Date.	
Tranche B Bonds Redemption Price	100 per cent. of the applicable Nominal Amount	
Tranche B Bonds Call	Subject (in each case) to all of the Tranche A Bonds having been redeemed, the Tranche B Bonds may be redeemed (in whole or in part) prior to the Tranche B Bonds Maturity Date (by one or a series of transactions) as follow:	
	Time of exercise of Call	Tranche B Bonds Call Price
	From the Tranche B Bonds Issue Date to, but not including, the date falling 36 months after the Tranche B Bonds Issue Date.	105 per cent. of Nominal Amount + Tranche B Bonds Interest Rate (accrued but unpaid) on a <i>pro rata</i> basis.
	From the date falling 36 months after the Tranche B	102.5 per cent. of Nominal Amount +

	Bonds Issue Date to, but not including, the date falling 48 months after the Tranche B Bonds Issue Date.	Tranche B Bonds Interest Rate (accrued but unpaid) on a <i>pro rata</i> basis.
	From the date falling 48 months after the Tranche B Bonds Issue Date to, but not including, the Tranche B Bonds Maturity Date.	100 per cent. of Nominal Amount + Tranche B Bonds Interest Rate (accrued but unpaid) on a <i>pro rata</i> basis.
Tranche B Bonds Interest Payment Date	23 March, 23 June, 23 September and 23 December of each year and the Tranche B Bonds Maturity Date, with the first Tranche B Bonds Interest Payment Date following the Tranche B Bonds Issue Date being 23 March 2018.	
Tranche B Bonds Interest Rate	<p>Subject to the below, on each Tranche B Bonds Interest Payment Date, at the option of the Issuer (as notified to the Bond Trustee in accordance with Clause 4.9.4 (<i>Interest Rate calculation and fixing</i>), the Tranche B Bonds Interest Rate shall be:</p> <ul style="list-style-type: none"> <li>(a) 1 per cent. per annum in cash plus the applicable Tranche B Bonds PIK Rate (“<b>Option 1</b>”); or</li> <li>(b) 10 per cent. interest per annum in cash (“<b>Option 2</b>”); or</li> <li>(c) 4 per cent. per annum in cash plus the applicable Tranche B Bonds PIK Rate (“<b>Option 3</b>”, and together with Option 1 and Option 2, the “<b>Options</b>”),</li> </ul> <p>provided however, that (w) subject to clause (x) below, Option 1 shall only be available to the Issuer with respect to any Interest Period ending on or before 23 December 2018, (x) during the period in which any Event of Default is continuing under Clause 5.1.1 (<i>Non-payment</i>), Option 1 shall automatically apply and the Issuer shall not be entitled to select any other available Option; (y) in respect of any Interest Period ending on the Tranche B Bonds Maturity Date, Option 3 shall apply and the Issuer shall not be entitled to select any other available Option, and (z) for the first Tranche B Bonds Interest Payment Date following the Tranche B Bonds Issue Date, Option 1 shall apply.</p>	
Tranche B Bonds PIK Rate	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) in the event that Option 1 set out in the definition of the Tranche B Bonds Interest Rate applies, 13 per cent. per annum; and</li> <li>(b) in the event that Option 3 set out in the definition of the Tranche B Bonds Interest Rate applies, 8 per cent. per annum.</li> </ul>	

	<p>The Tranche B Bonds PIK interest payments shall be payable in kind and made in arrear on each Tranche B Bonds Interest Payment Date, the first Tranche B Bonds Interest Payment Date being 23 March 2018, by the issue of additional Tranche B Bonds by the Issuer to the Tranche B Bondholders on a pro rata basis, equivalent in amount to the interest which has accrued on the Tranche B Outstanding Bonds at the Tranche B Bonds PIK Rate since the last Tranche B Bonds Interest Payment Date (or, in the case of interest accrued to the first Tranche B Bonds Interest Payment Date, since the Tranche B Bonds Issue Date). For the avoidance of doubt, the issue of additional Tranche B Bonds in payment of interest accrued at the Tranche B Bonds PIK Rate shall be taken into account for the purposes of calculating both the amount of Tranche B Outstanding Bonds and the amount of interest accrued at the Tranche B Bonds Interest Rate that is payable on the Tranche B Outstanding Bonds on each following Tranche B Bonds Interest Payment Date.</p>
Tranche B Bonds Day Count Convention	<p>30/360, which means that the number of days in the calculation period in respect of which payment is being made divided by 360 days with 30-day months (unless (i) the last day of the calculation period is the 31<sup>st</sup> day of a month but the first day of the calculation period is a day other than the 30<sup>th</sup> or 31<sup>st</sup> 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 (ii) the last day of the calculation 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).</p>
Tranche B Bonds Business Day Convention	<p>No adjustment.</p>
Tranche B Bonds Listing	<p>NA.</p>
Tranche B Bonds Special Conditions	<p>See Clause 3 (<i>Special terms of the Bonds</i>) of this Bond Agreement.</p>

## 2. INTERPRETATION

In this Bond Agreement, capitalised terms set out in Clause 1 (*Main Terms of the Bonds*) shall have the meaning set out therein, and additionally the following capitalised terms shall have the meaning set out below:

Acceleration Event	Means, for the purposes of the Intercreditor Principles, the occurrence of either:  (a) the Bond Trustee (acting on the instructions of the Bondholders in accordance with the Bond Agreement) exercising any of its rights to demand immediate payment of any liabilities arising under the Bonds; or  (b) the relevant Credit Facility Provider(s) exercising any of its/their rights to demand immediate payment of or to place on demand the liabilities arising under any Credit Facility.
Acceptable Credit Facility Provider	Means, for the purposes of the Intercreditor Principles, a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency.
Account Control Agreement	Means an account control agreement in respect of the Blocked Cash Account or the Retention Account, as the case may be, entered into between Nordic Trustee AS as the Bond Trustee, the Issuer and the bank with which the Blocked Cash Account or the Retention Account is opened, as the case may be, and restricting the Issuer's rights to withdraw funds standing to the credit of the relevant account other than:  (a) in the case of the Blocked Cash Account, in accordance with Clause 4.9.15 of this Bond Agreement; or  (b) in the case of the Retention Account, in accordance with Clause 4.3.5 (d) of this Bond Agreement.
Account Manager	Means a Bondholder's account manager in the Securities Depository.
Accounting Principles	Means generally accepted accounting principles in the Cayman Islands including IFRS.
Additional Secured Party	Means any person which becomes a Secured Party after the Signing Date by acceding to the Security Trust Deed in such capacity pursuant to the provisions of Clause 9.4 ( <i>Accession of additional Secured Parties</i> ) of the Security Trust Deed.
Adjusted Liquidity Amount	Means, on any relevant calculation date, an amount equal to the aggregate of:  (a) the balance standing to the credit of the Blocked Cash Account on that date; plus  (b) the average aggregate amount of:  (i) the Group's cash in hand and at bank (excluding, for these purposes, any amounts comprising Restricted Cash); and

	<p>(ii) the Group's Permitted Cash Equivalent Investments,</p> <p>over the immediately preceding 90 day period (calculated by dividing by 90 the aggregate of the total amount of eligible cash and Permitted Cash Equivalent Investments held by the Group on each of those preceding 90 days); less</p> <p>(c) the amount of any mobilisation costs which any Group Company has (i) received a prepayment for, and (ii) incurred or has undertaken to incur (but not paid), at that time in accordance with an existing employment contract for a Vessel as certified by the Issuer in accordance with Clause 4.6.1(g) (<i>Information Covenants</i>) of this Bond Agreement; less</p> <p>(d) any amounts that the Issuer is required to pay in cash to Bondholders (i) in the form of interest and on the Interest Payment Date with respect to which such Adjusted Liquidity Amount is being calculated, and (ii) at that time within any prescribed period in full or partial redemption of the relevant Outstanding Bonds in accordance with Clause 4.9.7 (<i>Mandatory Prepayment</i>) of this Bond Agreement.</p>
Affiliate	Means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
Attachment	Means an attachment to this Bond Agreement.
Blocked Cash	Means, at any time, the amount standing to the credit of the Blocked Cash Account, at that time.
Blocked Cash Account	<p>Means:</p> <p>(a) the account held in the name of the Issuer after the date of this Agreement into which USD 10,000,000 of the cash subscription proceeds from the issuance of the Tranche A1 Bonds shall be deposited which is secured in favour of the Security Agent and blocked in favour of the Bond Trustee; or</p> <p>(b) pending the establishment of the account described in paragraph (a) above, an escrow account held with NT Services AS for the benefit of the Issuer into which USD 10,000,000 of the cash subscription proceeds from the issuance of the Tranche A1 Bonds are deposited.</p>
Bond Agreement	Means this bond agreement, including any Schedules to it, as amended from time to time.
Bond Issue	Means the bond issue constituted by the Tranche A Bonds and the Tranche B Bonds.
Bond Trustee	Means the company designated as such in the preamble to this Bond Agreement or any successor, acting for and on behalf of the Bondholders in accordance with this Bond Agreement.
Bond Trustee Fee Agreement	Means an agreement to be entered into between the Issuer and the Bond Trustee relating to, among other things, the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.
Bondholder	Means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 6.3

	<i>(Bondholders' rights)</i> . Any reference to a Bondholder of a given Tranche means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond of such Tranche.
Bondholders Acceleration Instruction	Has the meaning given to it in Clause 5.3.1 <i>(Acceleration instructions)</i> of this Bond Agreement.
Bondholders Enforcement Instruction	Has the meaning given to it in Clause 5.3.2 <i>(Enforcement instructions)</i> of this Bond Agreement.
Bondholders Enforcement Period	Means the period commencing at the end of a Tranche B Bondholders Enforcement Period that commenced as a result of a specific Event of Default and ending twelve (12) months after the occurrence of such Event of Default provided that an Event of Default is continuing throughout that twelve (12) month period.
Bondholders' Meeting	Means a meeting of the Bondholders as set forth in Clause 7 <i>(Bondholders' decisions)</i> of this Bond Agreement.
Bonds	Means the Tranche A Bonds or the Tranche B Bonds, or both, as the context requires.
Business Day	Means any day on which commercial banks are open for general business, and can settle foreign currency transactions in Oslo, New York and the Cayman Islands.
Business Day Convention	Means the Tranche A Bonds Business Day Convention or the Tranche B Bonds Business Day Convention as the context requires.
Call	Issuer's early redemption right of Bonds at the date(s) stated (the " <b>Call Date</b> ") and corresponding price(s) (the " <b>Call Price</b> "), in accordance with Clause 4.9.6 <i>(Exercise of Call)</i> .
Call Price	Means the Tranche A Bonds Call Price or the Tranche B Bonds Call Price, as the context requires.
Cash Flow Forecast	Means a forecast of the Group's cash flow (which, save as expressly permitted under Clause 4.1.1(d)(i) <i>(Minimum Liquidity)</i> , shall exclude any amounts standing to the credit of the Blocked Cash Account or the Retention Account) covering the first 13 weeks after the date of delivery of that forecast.
Cash Sweep Amount	Means on any Cash Sweep Test Date, the amount (if positive) by which the Adjusted Liquidity Amount exceeds the Cash Sweep Threshold Amount at that time, provided that if the foregoing amount is less than USD 1,000,000, then the Cash Sweep Amount shall be deemed to be zero.
Cash Sweep Test Date	Has the meaning given to the term in Clause 4.9.10 <i>(Cash sweep)</i> of this Bond Agreement.
Cash Sweep Threshold Amount	Means, at any time, the sum of (x) the minimum amount of Liquidity which the Group is required to maintain at that time in accordance with Clause 4.4 <i>(Financial covenants)</i> of this Bond Agreement and (y) USD 15,000,000.
Change of Control Event	Means if any person or group of persons under the same Decisive Influence, or two or more persons acting in concert, obtains Decisive Influence over the Issuer and/or the Parent.
Commercial Terms	Means, for the purposes of the Intercreditor Principles, with respect to

	any Financial Indebtedness, terms directly relating to pricing, changes in maturity of and other terms that impact the economic return of the creditors of that Financial Indebtedness.
Competitive Sales Process	Means, for the purposes of the Intercreditor Principles, a public or private auction or other competitive sale process in which more than one bidder participates or is invited to participate, which may or may not be conducted through a court or other legal proceeding, and which is conducted with the advice of a Financial Adviser and which in each case (a) is conducted with a view to obtaining the best price reasonably obtainable taking into account all relevant circumstances; and (b) each Secured Party shall have the right to elect to participate as a bidder on the same basis and with equal information and access as other bidders generally.
Credit Facility	Means a Permitted Bonding Facility or a Refinancing Facility.
Credit Facility Agent	Means an agent appointed by the relevant Credit Facility Provider(s) under a Credit Facility (if any).
Credit Facility Agreement	Means an agreement between, among others, a Credit Facility Provider and an Obligor in respect of the provision of one or more Credit Facilities.
Credit Facility Provider	Means an Acceptable Credit Facility Provider or one or more Bondholders or one of more of any of their respective Affiliates.
CSD	Means the central securities depository in which the Bonds are registered, being VPS ASA.
Day Count Convention	Means: (a) in respect of the Tranche A Bonds, the Tranche A Bonds Day Count Convention set out in Clause 1.1 ( <i>Tranche A Bonds</i> ); and (b) in respect of the Tranche B Bonds, the Tranche B Bonds Day Count Convention set out in Clause 1.2 ( <i>Tranche B Bonds</i> ).
Decisive Influence	Means a person having, as a result of an agreement, understanding and/or other arrangement and/or through the direct and/or indirect ownership of shares and/or other ownership interests in another person: (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors (or equivalent) 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 (or equivalent), rights held by each Holding Company of the relevant person and each such Holding Company's Subsidiaries shall be included.
Defeasance Pledge	Has the meaning given to it in Clause 9.3 ( <i>Defeasance</i> ) of this Bond Agreement.
Delegate	Means, for the purposes of the Intercreditor Principles, any delegate, agent, attorney or co-trustee appointed by the Security Agent.
Designated Shipowning Subsidiary	Means each of: (a) Telford 25 Limited;

	<ul style="list-style-type: none"> <li>(b) Telford 28 Limited;</li> <li>(c) Telford 31 Limited;</li> <li>(d) Telford 34 Limited, and</li> <li>(e) if the Jascon 30 is acquired at any time after the Issue Date, the Group Company which owns the Jascon 30.</li> </ul>
Distress Event	<p>Means, for the purposes of the Intercreditor Principles, any of:</p> <ul style="list-style-type: none"> <li>(a) an Acceleration Event; or</li> <li>(b) the enforcement of any Security Interest.</li> </ul>
Distressed Disposal	<p>Means, for the purposes of the Intercreditor Principles, a disposal of an asset of a Group Company which is:</p> <ul style="list-style-type: none"> <li>(a) being effected at the request of the Instructing Group in circumstances where the Security Interests have become enforceable;</li> <li>(b) being effected by enforcement of the Security Interests; or</li> <li>(c) being effected, after the occurrence of a Distress Event, by a Group Company to a person or persons which is, or are, not a member, or members, of the Group.</li> </ul>
Distribution	Has the meaning given to it in Clause 4.3.2 ( <i>Restriction on distributions</i> ) of this Bond Agreement.
DP3 Vessels	<p>Means each of the:</p> <ul style="list-style-type: none"> <li>(a) Jascon 25;</li> <li>(b) Jascon 28;</li> <li>(c) Jascon 31;</li> <li>(d) Jascon 34; and</li> <li>(e) in the event that it is acquired by any Group Company at a later date, the Jascon 30.</li> </ul>
Enforcement Action	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) the making of any demand against any Obligor in relation to any Financial Support; or</li> <li>(b) the taking of any steps to enforce or require the enforcement of any Security Interests (including the crystallisation of any floating charge forming part of the Security Interests).</li> </ul>
Enforcement Instructions	Means, for the purposes of the Intercreditor Principles, instructions as to enforcement of the Security Interests (including the manner and timing of such enforcement).
Equity	Means 100% of the issued share capital of the Issuer.
Event of Default	Means any of the events or circumstances specified in Clause 5.1 ( <i>Events of Default</i> ).
Exchange	Has the meaning given to it in Clause 1 ( <i>Main Terms of the Bonds</i> ), of this Bond Agreement, setting out the exchange or other recognised marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If "NO" is specified in the "Listing" section of



	Clause 1 ( <i>Main Terms of the Bonds</i> ) of this Bond Agreement, the terms of this Bond Agreement covering Exchange do not apply.
Exempt Company	Means each of Jascon 18 Limited, Offcon Ghana Limited and Sea Trucks Group (Angola) Lda.
Existing Bond Agreement	Means the bond agreement dated 25 March 2013, as amended and restated from time to time, entered into between the Existing Bond Issuer and the Existing Bond Trustee, pursuant to which the Existing Bonds were issued.
Existing Bond Issuer	Means Sea Trucks Group Limited (in liquidation).
Existing Bond Trustee	Means Nordic Trustee AS for itself and on behalf of the Existing Bondholders.
Existing Bondholders	Means the holders of the Existing Bonds from time to time, such person being, on the Issue Date, the Issuer.
Existing Bonds	Means the bonds issued by the Existing Bond Issuer under the Existing Bond Agreement.
Existing Bonds Subordination Agreement	Means the agreement entered into on or about the Issue Date between the Existing Bonds Trustee, the Bond Trustee and the Issuer.
Existing Group	Existing Group means the Existing Bond Issuer and its direct and indirect Subsidiaries from time to time.
Fairness Opinion	Means, for the purposes of the Intercreditor Principles, in respect of any enforcement of the Security Interests, an opinion from a Financial Adviser that the proceeds received or recovered in connection with that enforcement of the Security Interests (or expected to be received or recovered) are fair from a financial point of view taking into account all relevant circumstances and maximise, to the extent consistent with a prompt and expeditious realisation of value, the value realised from that enforcement of the Security Interests.
Finance Documents	Means: (a) this Bond Agreement; (b) the Bond Trustee Fee Agreement; (c) the Security Documents (including any notices, acknowledgements and other ancillary documentation relating thereto); (d) any other document executed in relation to the granting of any Security to the Security Agent under the Finance Documents; (e) the Existing Bonds Subordination Agreement; (f) any Intercreditor Agreement; (g) the Security Trust Deed; and (h) any document (whether creating a Security Interest or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under this Bond Agreement and which is agreed by the Issuer and the Bond Trustee to be a Finance Document.
Financial Adviser	Means, for the purposes of the Intercreditor Principles, any:

	<ul style="list-style-type: none"> <li>(a) independent internationally recognised investment bank;</li> <li>(b) independent internationally recognised accountancy firm; or</li> <li>(c) other independent internationally recognised professional services firm which is regularly engaged in providing valuations of businesses or financial assets or, where applicable, advising on Competitive Sales Processes.</li> </ul>
Financial Indebtedness	<p>Means (in each case without double counting) any indebtedness incurred in respect of:</p> <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as finance or capital lease;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</li> <li>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> <li>(g) 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</li> <li>(h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.</li> </ul>
Financial Statements	Means the audited consolidated annual financial statements for the Issuer for any Financial Year, written in English, drawn up according to the Accounting Principles, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.
Financial Support	Means any loans, guarantees or other financial assistance (including, but not limited to granting of security) granted by a Group Company in favour of any person(s).
Financial Undertaking	Means an entity with authorization according to the Norwegian Financial Undertaking Act (2015/17).
Financial Year	Means the annual accounting period of the Group ending on or about 31 December in each year.
Group	Means the Parent and the Issuer and each of their respective Subsidiaries.
Group Company	Means the Parent and the Issuer and each of their respective Subsidiaries but (other than for the purposes of preparing the Group's Financial Statements and Interim Accounts) the term shall not include Jascon 18 Limited for so long as it is a Subsidiary but not a wholly-owned

	Subsidiary of the Parent.
Guarantee	Means (a) the Original Guarantee, (b) the Sea Trucks DMCC Guarantee, (c) the Sea Trucks Group FZE Guarantee, and (d) each other unconditional and irrevocable on-demand guarantee on a joint and several basis from each of the Guarantors which guarantees the Issuer's obligations under this Bond Agreement and any other Finance Document, including interest, costs and expenses, in form and substance satisfactory to the Bond Trustee.
Guarantors	Means the Issuer and each of its direct or indirect Subsidiaries from time to time other than an Exempt Company.
Hedging Transactions	Means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, interest rate or currency future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap or currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any currency or interest rate or price.
Holding Company	Means, in relation to a person, any other person in respect of which it is a Subsidiary.
IFRS	Means International Financial Reporting Standards and refers to the international accounting standards within the meaning of IAS Regulation 1606/2002.
Initial Refinancing Facility	Means a facility (which can include term and/or revolving facilities within that facility) made available to the Issuer entered into in accordance with the Intercreditor Principles where (a) all amounts borrowed thereunder from one or more Credit Facility Provider(s) must be applied solely in repayment of all outstanding principal amounts with respect to the Tranche A Bonds, and (b) the economic terms of the funding to be provided thereunder by one or more Credit Facility Provider(s) are not more favourable to the Credit Facility Provider(s) thereunder than the terms of the Tranche A Bonds immediately before they are repaid.
Insolvency Event	Means: <ul style="list-style-type: none"> <li>(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of debt settlement, compromise, voluntary arrangement, scheme of arrangement or otherwise);</li> <li>(b) the appointment of a liquidator, bankruptcy trustee, receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or</li> <li>(c) enforcement of any security over or arrest, attachment or sequestration of any of its assets.</li> </ul>
Insolvent	Means that a person: <ul style="list-style-type: none"> <li>(a) is unable or admits inability to pay its debts as they fall due;</li> <li>(b) suspends making payments on any of its debts generally; or</li> <li>(c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interests as such term is</li> </ul>

	understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).
Instructing Group	<p>Means, for the purposes of the Intercreditor Principles:</p> <ul style="list-style-type: none"> <li>(a) prior to the expiration of any Tranche B Bondholders Enforcement Period, the Bond Trustee (acting on the instructions of the Tranche B Bondholders in accordance with the Bond Agreement);</li> <li>(b) upon the expiration of any Tranche B Bondholders Enforcement Period until the expiration of any Majority Secured Creditors Enforcement Period (but only for so long as the relevant Event of Default under and as defined in any Credit Facility Agreement and/or in respect of the Bond Agreement (as applicable) is continuing), the Majority Secured Creditors; and</li> <li>(c) upon the expiration of any Majority Secured Creditors Enforcement Period (but only for so long as the relevant Event of Default under and as defined in any Credit Facility Agreement and/or in respect of the Bond Agreement (as applicable) is continuing), the Majority Senior and Super Senior Creditors or such other constituency of the Senior Creditors as may be agreed by a simple majority of the Tranche A Bondholders in accordance with Clause 4.9.14 (b) (<i>Intercreditor Agreement</i>) of this Bond Agreement prior to execution of the relevant Intercreditor Agreement,</li> </ul> <p>subject always to the Restriction on Enforcement provisions summarised in the Intercreditor Principles.</p>
Intercreditor Agreement	Means an Intercreditor Agreement to be entered into between the Credit Facility Agent(s), the Credit Facility Provider(s), the Bond Trustee (for and on behalf of the Bondholders) and the Security Agent which incorporates the Intercreditor Principles but is otherwise in a form and substance satisfactory to the Credit Facility Agent(s), the Credit Facility Provider(s), the Bond Trustee and the Security Agent.
Intercreditor Principles	Means the Intercreditor Principles set out in Schedule 3 ( <i>Intercreditor Principles</i> ) of this Bond Agreement.
Interest Payment Date	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Tranche A Bonds, each Tranche A Bonds Interest Payment Date set out in Clause 1.1 (<i>Tranche A Bonds</i>) of this Bond Agreement; and</li> <li>(b) in respect of the Tranche B Bonds, each Tranche B Bonds Interest Payment Date set out in Clause 1.2 (<i>Tranche B Bonds</i>) of this Bond Agreement.</li> </ul>
Interest Period	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Tranche A Bonds, the period from and including the last Tranche A Bonds Interest Payment Date to but excluding the next Tranche A Bonds Interest Payment Date, with the exception that: <ul style="list-style-type: none"> <li>(i) the first Interest Period in respect of the Tranche A1 Bonds shall commence on and include 5 February 2018 and end on and exclude 23 March 2018; and</li> </ul> </li> </ul>

	<p>(ii) the first Interest Period in respect of the Tranche A2 Bonds shall commence on and include the Tranche A Bonds Issue Date and end on and exclude 23 March 2018; and</p> <p>(b) in respect of the Tranche B Bonds, the period from and including the last Tranche B Bonds Interest Payment Date to but excluding the next Tranche B Bonds Interest Payment Date, with the exception that the first Interest Period in respect of the Tranche B Bonds shall commence on and include the Tranche B Bonds Issue Date and end on and exclude 23 March 2018.</p>
Interest Rate	<p>Means:</p> <p>(a) in respect of the Tranche A Bonds, the Tranche A Bonds Interest Rate set out in Clause 1.1 (<i>Tranche A Bonds</i>) of this Bond Agreement; and</p> <p>(b) in respect of the Tranche B Bonds, the Tranche B Bonds Interest Rate set out in Clause 1.2 (<i>Tranche B Bonds</i>) of this Bond Agreement.</p>
Interim Accounts	Means the unaudited consolidated quarterly financial statements and management commentary of the Issuer for any quarter ending on a Quarter Date, drawn up according to the Accounting Principles and written in English.
ISIN	Means International Securities Identification Number – the identification number of the Bond Issue.
Issue Date	Means the Tranche A Bonds Issue Date and the Tranche B Bonds Issue Date, as the context requires.
Issuer	Means Telford Offshore Limited (Cayman Islands).
Issuer Floating Charge	Means a first priority floating charge or similar security over all assets of the Issuer.
Issuer's Bonds	Means, without prejudice to the provisions of Clause 9.2 ( <i>Purchase of Bonds by the Group</i> ) of this Bond Agreement, Bonds owned by the Parent or the Issuer, any person who has Decisive Influence over the Parent or the Issuer, or any person over whom the Parent or the Issuer has Decisive Influence.
Jascon 25	Means the vessel with IMO number 8770106, hull number CPL 103 registered by the Gibraltar Registrar of Ships with certificate number R 01342.
Jascon 28	Means the vessel with IMO number 8769638, hull number CPI 104 registered by the Gibraltar Registrar of Ships with certificate number GMA-COR-170308.
Jascon 30	Means the vessel with IMO number 9420655, hull number CP 105 registered by the Gibraltar Registrar of Ships with certificate number R 01087.
Jascon 31	Means the vessel with IMO number 8770285, hull number H013 registered by the Gibraltar Registrar of Ships with certificate number GMA-COR-160057.
Jascon 34	Means the vessel with IMO number 8770273, hull number H027 registered by the Gibraltar Registrar of Ships with certificate number

	GMA-COR-150049.
Legal Reservations	Has the meaning given to it in Clause 4.1.6 (b) ( <i>Valid, binding and enforceable obligations</i> ) of this Bond Agreement.
LEI-code	Legal Entity Identifier, a unique 20-character code that identifies legal entities that engage in financial transactions.
Liquidity	Means, at any time, an amount equal to the aggregate of the Group's: (a) cash in hand and cash at bank (excluding any Restricted Cash); and (b) any Permitted Cash Equivalent Investments.
Liquidity Bond Agreement	Means the bond agreement dated 23 June 2017, entered into between the Liquidity Bond Issuer and the Liquidity Bond Trustee, and pursuant to which the Liquidity Bonds were issued.
Liquidity Bond Issuer	Means: (a) prior to the novation of its obligations and liabilities under the Liquidity Bond Agreement to the Issuer pursuant to the terms of the Restructuring Implementation Deed, Sea Trucks International Limited; and (b) following the novation of its obligations and liabilities under the Liquidity Bond Agreement to the Issuer pursuant to the terms of the Restructuring Implementation Deed, the Issuer.
Liquidity Bond Trustee	Means Nordic Trustee AS for itself and on behalf of the Liquidity Bondholders.
Liquidity Bondholders	Means the holders of the Liquidity Bonds from time to time.
Liquidity Bonds	Means the bonds issued by the Liquidity Bond Issuer under the Liquidity Bond Agreement.
Liquidity Bonds PIK Interest	Means any payment in-kind interest due but unpaid (excluding any interest which has been capitalised through the issuance of new Liquidity Bonds) under the terms of the Liquidity Bonds.
Listing	Means an indication as to the listing of the Bonds in Clause 1 ( <i>Main Terms of the Bonds</i> ) of this Bond Agreement. If "YES" is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange. If "NO" is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Majority Secured Creditors	Means, for the purposes of the Intercreditor Principles, Senior Creditors, Super Senior Creditors (if any) and Subordinated Creditors representing more than 50 (fifty) per cent. of the aggregate Principal Amount Outstanding of the sum of the Senior Liabilities, the Super Senior Liabilities and the Subordinated Liabilities.
Majority Secured Creditors Enforcement Period	Means, for the purposes of the Intercreditor Principles, the period commencing at the end of a Tranche B Bondholders Enforcement Period that commenced as a result of a specific Event of Default under any Credit Facility Agreement and/or in respect of the Bond Agreement and ending twelve (12) months after the occurrence of such Event of Default provided that an Event of Default is continuing throughout that twelve (12) month period.
Majority Senior and Super	Means, for the purposes of the Intercreditor Principles, the Senior

Senior Creditors	Creditors and the Super Senior Creditors (if any) representing more than 50 (fifty) per cent. of the aggregate Principal Amount Outstanding of the sum of the Senior Liabilities and the Super Senior Liabilities.
Management Services Agreement	Means the agreement between the Issuer and the Existing Bond Issuer dated on or about the Issue Date, in respect of, among other things, the on-going operation of the Existing Bond Issuer.
Mandatory Prepayment Event	Means any sale of (i) (directly or indirectly) any of the shares in any Group Company, or (ii) a Vessel.
Market Value	Means the fair market value of a Vessel in USD determined as the independent valuation of such Vessel, on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and willing buyer, on an "as is where is" basis, free of any existing charters or other contracts for employment, obtained from an independent and well-reputed sale and purchase broker familiar with the market for such Vessel, appointed by the Issuer and approved by the Bond Trustee.
Material Adverse Effect	Means an event or circumstance which has material adverse effect on: (a) the business, financial condition or operations of the Group (taken as a whole), (b) the Issuer's or any Guarantor's ability to perform and comply with its obligations under any of the Finance Documents, or (c) the validity or enforceability of any of the Finance Documents.
Material Contract	Means any contract or other arrangement under which a Group Company incurs gross payment obligations excess of USD 15,000,000 or which generates USD 5,000,000 or more in revenue.
Maturity Date	Means the Tranche A Bonds Maturity Date or the Tranche B Bonds Maturity Date, or both, as the context requires.
NA	Means that the provision to which NA is designated is not applicable to this Bond Agreement.
New Earnings Account	Has the meaning given to that term in Clause 4.2.13 ( <i>The accounts</i> ) of this Bond Agreement.
Nominal Amount	Means, at any time:  (a) in respect of the Tranche A Bonds, the Tranche A Bonds Initial Bond Issue plus any additional Tranche A Bonds that have been issued at that time as a result of the accrual of the Tranche A Bonds PIK Rate less the aggregate amount by which the Tranche A Bonds have at that time been partially redeemed pursuant to Clause 4.9 ( <i>Payments in respect of the Bonds</i> ) of this Bond Agreement; and  (b) in respect of the Tranche B Bonds, the Tranche B Bonds Initial Bond Issue plus any additional Tranche B Bonds that have been issued at that time as a result of the accrual of the Tranche B Bonds PIK Rate less the aggregate amount by which the Tranche B Bonds have been at that time partially redeemed pursuant to Clause 4.9 ( <i>Payments in respect of the Bonds</i> ) of this Bond Agreement.
Non-Cash Consideration	Means, for the purposes of the Intercreditor Principles, consideration in a form other than cash.
Non-Sensitive Information	Has the meaning given to that term in Clause 4.6.1 ( <i>Information</i>

	<i>covenants</i> ) of this Bond Agreement.
Obligor	Means the Parent, the Issuer and any Guarantor.
OID	Means the discount to par value at which a Tranche A Bond is issued.
Ongoing Funding Agreement	Means the agreement entered into on or about the Issue Date between, amongst others, the Existing Bond Issuer and the Issuer pursuant to which the Issuer shall agree to make certain funds available to the Existing Bond Issuer and certain of its Subsidiaries on the terms set out therein.
Ongoing Funding Agreement Information	Has the meaning given to that term in Clause 4.6.3 ( <i>Information covenants</i> ) of this Bond Agreement.
Ongoing Funding Agreement Termination Notice	Means a notice issued by the Bond Trustee (on the instructions of the Bondholders in accordance with Clause 7.12 of this Bond Agreement) to the Issuer instructing the Issuer to terminate the Ongoing Funding Agreement.
Original Guarantee	Means an unconditional and irrevocable on-demand guarantee on a joint and several basis from each of the initial Guarantors dated on or about the Issue Date securing the Issuer's obligations under this Bond Agreement and any other Finance Document, including interest, costs and expenses.
Outstanding Bonds	Means the Tranche A Outstanding Bonds or the Tranche B Outstanding Bonds, or both, as the context may require.
Parent	Means Telford Offshore Holdings Limited (Cayman Islands).
Party	Means a party to this Bond Agreement (including its successors and permitted transferees).
Paying Agent	Means the DNB Bank ASA appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.
Payment Date	Means any Interest Payment Date or any Repayment Date.
Perfection Requirements	Means any and all registrations, filings, notices and other actions and steps required to be made in any jurisdiction to perfect security created by the Security Documents, as the case may be, or in order to achieve the relevant priority for such Security Interests.
Permitted Cash Equivalent Investments	Means at any time: <ul style="list-style-type: none"> <li>(a) certificates of deposit maturing within three (3) months after the relevant date of calculation and issued by a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A-1 or higher by Standard &amp; Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;</li> <li>(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within three (3) months after</li> </ul>



	<p>the relevant date of calculation and not convertible or exchangeable to any other security;</p> <p>(c) commercial paper not convertible or exchangeable to any other security:</p> <ul style="list-style-type: none"> <li>(i) for which a recognised trading market exists;</li> <li>(ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union;</li> <li>(iii) which matures within three (3) months after the relevant date of calculation; and</li> <li>(iv) which has a credit rating of either A-1 or higher by Standard &amp; Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;</li> </ul> <p>(d) any investment in money market funds which:</p> <ul style="list-style-type: none"> <li>(i) have a credit rating of either A-1 or higher by Standard &amp; Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and</li> <li>(ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above,</li> </ul> <p>to the extent that investment can be turned into cash on not more than 30 days' notice,</p> <p>in each case, denominated in USD and to which any Group Company is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any Group Company or subject to any Security (other than Security arising under the Security Documents).</p>
Permitted Distribution	Means a Distribution by a Group Company (other than the Issuer) to its immediate Holding Company.
Permitted Bonding Facility	Means a Senior Bonding Facility or Super Senior Bonding Facility, as the case may be.
Permitted Financial Indebtedness	<p>Means the following:</p> <ul style="list-style-type: none"> <li>(a) Financial Indebtedness arising under any of the Finance Documents;</li> <li>(b) Financial Indebtedness under or in connection with a Permitted Bonding Facility provided that, at any time, the maximum aggregate amount incurred under all Permitted Bonding Facilities does not exceed USD 20,000,000 at that time <i>minus</i> the Principal Amount Outstanding under each Unsecured Facility, at that time;</li> <li>(c) Financial Indebtedness under or in connection with an Unsecured Facility provided that, at any time, the maximum aggregate amount</li> </ul>

	<p>incurred under all Unsecured Facilities does not exceed the sum of USD 20,000,000 <i>minus</i> the Principal Amount Outstanding under each Permitted Bonding Facility, at that time;</p> <p>(d) in the case of the Issuer only, Financial Indebtedness under or in connection with a Refinancing Facility provided that (A) in the case of an Initial Refinancing Facility, the maximum aggregate amount incurred does not, at the time the funding is provided thereunder, exceed an amount equal to the Principal Amount Outstanding of the Tranche A Bonds at that time, and (B) in the case of a Subsequent Refinancing Facility, the maximum aggregate amount incurred does not, at the time the funding is provided thereunder, exceed an amount equal to the Principal Amount Outstanding under the Initial Refinancing Facility or any existing subsequent Refinancing Facility (as the case may be) at that time;</p> <p>(e) any intra-group loans granted by any Group Company to another Group Company and which have been legally and validly secured in favour of the Security Agent;</p> <p>(f) any subordinated loan to the Issuer subject to a subordination and turn-over agreement in form and substance acceptable to the Bond Trustee and the Security Agent;</p> <p>(g) any unsecured Financial Indebtedness incurred in connection with any Permitted Hedging Transaction; and</p> <p>(h) any full or partial refinancing, amendments or replacements to any of the items in paragraphs (b) or (f) above</p>
Permitted Hedging Transaction	Has the meaning given to that term in Clause 4.3.6 ( <i>Restriction on hedging</i> ).
PIK Rate	Means the Tranche A Bonds PIK Rate or the Tranche B Bonds PIK Rate, or both, as the context requires.
Principal Amount Outstanding	<p>Means:</p> <p>(a) in relation to the Tranche A Bonds at any time, the Nominal Amount of the Tranche A Bonds at that time;</p> <p>(b) in relation to any Permitted Bonding Facility at any time, the aggregate principal amount of standby or documentary letters of credit, performance bonds or guarantees (whether drawn or undrawn) which have been issued and remain outstanding under that Permitted Bonding Facility at that time;</p> <p>(c) in relation to any Refinancing Facility at any time, the principal amount outstanding under that Refinancing Facility, at that time; and</p> <p>(d) in relation to any Unsecured Facility at any time, the principal amount outstanding under that Unsecured Facility, at that time.</p>
Quarter Date	Means each 31 March, 30 June, 30 September and 31 December in each year.
Quiet Enjoyment Letter	Means a letter referred to in Clause 3.3.3 ( <i>Security</i> ) of this Bond Agreement.
Receiver	Means, for the purposes of the Intercreditor Principles, a receiver or

	receiver and manager or administrative receiver of the whole or any part of the Security Interests.
Redemption Price	Means: (a) in respect of the Tranche A Bonds, the Tranche A Bonds Redemption Price set out in Clause 1.1 ( <i>Tranche A Bonds</i> ); and (b) in respect of the Tranche B Bonds, the Tranche B Bonds Redemption Price set out in Clause 1.2 ( <i>Tranche B Bonds</i> ).
Refinancing Facility	Means either the Initial Refinancing Facility or a Subsequent Refinancing Facility, as the case may be.
Relevant Record Date	Means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows: (a) in relation to payments pursuant to this Bond Agreement, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; (b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and (c) for the purpose of casting a vote in a Written Resolution: (i) the date falling three (3) Business Days after the Summons have been published; or (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.
Repayment Date	Means any date for payment of instalments, payment of any Call or the Maturity Date, or any other days of repayments of Bonds.
Restricted Cash	Means: (a) any cash which is held by a bank in circumstances where the repayment to the Group of such cash is contingent on the prior discharge of any other Financial Indebtedness of any Group Company or of any other person whatsoever or on the satisfaction of any other condition; (b) any cash which is subject to Security other than (i) a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements, or (ii) the Security Interests'; and (c) any Blocked Cash, provided that, for the avoidance of doubt and in each case, any cash held from time to time in the Retention Account shall not be Restricted Cash.
Restructuring Implementation Deed	Means the deed entered into on or about the Signing Date between, amongst others, the Existing Bond Issuer, the Liquidity Bond Issuer, and the Issuer in relation to the implementation of a restructuring of the

	Existing Bonds and the Liquidity Bonds.
Retention Account	Means an account opened pursuant to and in accordance with Clause 4.3.5 ( <i>The Retention Account</i> ) of this Bond Agreement.
Retention Account Opening Date	Has the meaning given to it in Clause 4.3.5 ( <i>The Retention Account</i> ) of this Bond Agreement.
Retention Account Security Uptake Date	Has the meaning given to it in Clause 4.3.5 ( <i>The Retention Account</i> ) of this Bond Agreement.
Sea Trucks DMCC Guarantee	Means the United Arab Emirates law (as applied by the courts of Dubai) governed corporate guarantee granted by Sea Trucks DMCC in favour of the Security Agent for itself and each of the Secured Parties dated on or about the Issue Date.
Sea Trucks Group FZE Guarantee	Means the United Arab Emirates law (as applied by the courts of Sharjah) governed corporate guarantee granted by Sea Trucks Group FZE in favour of the Security Agent for itself and each of the Secured Parties dated on or about the Issue Date.
Secured Account	Means a bank account in the name of an Obligor over which a Security Interest has been granted in favour of the Security Agent for itself and the Secured Creditors (including a New Earnings Account where the conditions in Clause 4.2.13 (b)(ii) ( <i>The accounts</i> ) have been met).
Secured Creditors	Means the Bondholders, the Credit Facility Agent(s), the Credit Facility Provider(s), the Bond Trustee and the Security Agent.
Secured Party	Means the Bondholders, the Bond Trustee, any Credit Facility Agent(s), any Credit Facility Provider(s), the Security Agent and any other Additional Secured Party.
Securities Depository	Means the securities depository in which the Bond Issue is registered, being Verdipapirsentralen ASA (" <b>VPS</b> ") in Norway.
Security	Means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Agent	Means the Bond Trustee in its capacity as security agent for the Secured Parties under the Security Trust Deed.
Security Documents	Means, collectively, all the documents evidencing, creating or granting the Security Interests.
Security Interests	Means: <ul style="list-style-type: none"> <li>(a) a first priority Cayman law governed pledge over the entire issued share capital in each direct and indirect Cayman incorporated subsidiary of the Issuer from time to time;</li> <li>(b) a first priority pledge over all bank accounts operated by the Group from time to time other than (i) any account operated by an Exempt Company or (ii) any account which the Bond Trustee (acting on the instructions of a simple majority of the Voting Bonds) has confirmed need not be subject to Security;</li> <li>(c) a second ranking Gibraltar law vessel mortgage and accompanying English law governed deed of covenant in respect of each of the DP3 Vessels to be transferred to the Group pursuant to the restructuring, namely the Jascon 25, Jascon 28, Jascon 31</li> </ul>

	<p>and Jascon 34;</p> <p>(d) an English law governed first priority fixed charge over all intra-Group receivables outstanding from time to time, including, for the avoidance of doubt, (i) any loans or other balances owing from time to time to one Group Company (as creditor) from another Group Company (as debtor), (ii) any receivables relating to any intra-Group bareboat charter agreements entered into in respect of the secured Vessels or any other contracts or agreements entered into in respect of the operation of any of the secured Vessels but excluding, in each case, any receivables owed to an Exempt Company;</p> <p>(e) a first priority English law governed assignment of the relevant insurances relating to each of the secured Vessels;</p> <p>(f) if so required by the Security Agent, a first priority assignment of any intra-Group contracts or agreements which have been entered into in respect of the operation of any secured Vessels for a term of at least twelve (12) months;</p> <p>(g) English law governed floating charges over all of the remaining assets of (1) the Issuer, and (2) each direct and indirect Cayman incorporated Subsidiary of the Issuer from time to time;</p> <p>(h) a New South Wales law governed general security deed granted by Sea Trucks Australia Pty Ltd over all of the assets of Sea Trucks Australia Pty Ltd;</p> <p>(i) Norwegian law governed first priority assignment over the Issuer's interests under the Existing Bond Agreement, as sole holder of the Existing Bonds following completion of the restructuring; and</p> <p>(j) any other document evidencing, creating or granting Security with respect to the Bonds and/or a Credit Facility.</p>
Security Trust Deed	Means the security trust deed entered into on or about the Issue Date between, amongst others, the Issuer and Nordic Trustee AS as Security Agent for the Secured Parties.
Senior Bonding Facility	<p>Means any facility agreement entered into after the date of this Bond Agreement between a Group Company and an Acceptable Credit Facility Provider for the purposes of issuing any standby or documentary letters of credit, performance bonds or guarantees where:</p> <p>(a) the Issuer has notified the Security Agent and the Bond Trustee that the facility agreement should be designated as a Senior Bonding Facility;</p> <p>(b) the Security Agent has confirmed that the facility agreement complies with the Senior Bonding Facility Terms;</p> <p>(c) the relevant Credit Facility Agent (if any) and Credit Facility Provider(s) enter into an Intercreditor Agreement which is in compliance with the Intercreditor Principles; and</p> <p>(d) the Issuer designates and the relevant Intercreditor Agreement provides that the liabilities under that facility are Senior Liabilities.</p>
Senior Bonding Facility	Means the terms set out in Part I ( <i>Senior Bonding Facility Terms</i> ) of

Terms	Schedule 4 ( <i>Permitted Bonding Facility Terms</i> ) to this Bond Agreement.
Senior Creditors	Means, at any time: (a) the Credit Facility Agent(s) and Credit Facility Provider(s) (if any) under: (i) a Refinancing Facility; and (ii) a Senior Bonding Facility; and (b) the Bond Trustee (for and on behalf of the Tranche A Bondholders (if any)), at that time.
Senior Liabilities	Means, for the purposes of the Intercreditor Principles, at any time, the liabilities owed by the Obligors to the Senior Creditors at that time.
Shipowning Subsidiary	Means each Designated Shipowning Subsidiary and any other entity that owns any Vessel and is 100% owned directly or indirectly by the Issuer.
Signing Date	Means the date of this Bond Agreement.
Stamdata	Means the website <a href="http://www.stamdata.no">www.stamdata.no</a> , maintained by the Bond Trustee.
STA Whitewash	Means the statutory process under Section 260A of the <i>Corporations Act 2001</i> (Cth) that Sea Trucks Australia must undertake in order to give financial assistance to its holding company (each such term as defined in the <i>Corporations Act 2001</i> (Cth)).
Subordinated Creditors	Means, for the purposes of the Intercreditor Principles, the Bond Trustee (for and on behalf of the Tranche B Bondholders) and the Tranche B Bondholders.
Subordinated Liabilities	Means, for the purposes of the Intercreditor Principles, at any time, the liabilities owed by the Obligors to the Subordinated Creditors at that time.
Subsequent Refinancing Facility	Means a facility (which can include term and/or revolving facilities within that facility) made available to the Issuer entered into in accordance with the Intercreditor Principles where (a) all amounts borrowed thereunder from one or more Credit Facility Provider(s) must be applied solely in repayment of all outstanding principal amounts with respect to the Initial Refinancing Facility or any existing Subsequent Refinancing Facility, as the case may be, and (b) the economic terms of the funding to be provided thereunder by one or more Credit Facility Provider(s) are not more favourable to the Credit Facility Provider(s) thereunder than the terms of the Initial Refinancing Facility or any existing Subsequent Refinancing Facility, as the case may be, immediately before it is repaid.
Subsidiary	Means a person over which another person has Decisive Influence.
Summons	Means the call for a Bondholders' Meeting or a Written Resolution as the case may be.
Super Senior Bonding Facility	Means any facility agreement entered into after the date of this Bond Agreement between a Group Company and an Acceptable Credit Facility Provider which is only for the purposes of issuing any standby or documentary letters of credit, performance bonds or guarantees where: (a) the Issuer has notified the Security Agent and the Bond Trustee

	<p>that the facility agreement should be designated as a Super Senior Bonding Facility;</p> <p>(b) the Security Agent has confirmed that the facility agreement complies with the Super Senior Bonding Facility Terms;</p> <p>(c) the relevant Credit Facility Agent (if any) and Credit Facility Provider(s) enter into an Intercreditor Agreement which is in compliance with the Intercreditor Principles; and</p> <p>(d) the Issuer designates and the relevant Intercreditor Agreement provides that the liabilities under that facility are Super Senior Liabilities.</p>
Super Senior Bonding Facility Outstanding Amount	Means, for the purposes of the Super Senior Step-Up Rate Formula, with respect to any day, the principal amount of any standby or documentary letters of credit (drawn or undrawn), performance bonds or guarantees that have been granted and/or issued and are outstanding under a Super Senior Bonding Facility as at that day.
Super Senior Bonding Facility Terms	Means the terms set out in Part II ( <i>Super Senior Bonding Facility Terms</i> ) of Schedule 4 ( <i>Permitted Bonding Facility Terms</i> ) to this Bond Agreement.
Super Senior Creditors	Means, for the purposes of the Intercreditor Principles, at any time, the Credit Facility Agent(s) and the Acceptable Credit Facility Provider(s) (if any) under a Super Senior Bonding Facility.
Super Senior Liabilities	Means, for the purposes of the Intercreditor Principles, at any time, the liabilities owed by the Obligors to the Super Senior Creditors at that time.
Super Senior Step-Up Rate	Means an amount (expressed as a percentage rate per annum) calculated in accordance with the Super Senior Step-Up Rate Formula.
Super Senior Step-Up Rate Formula	Means the formula set out in Schedule 5 ( <i>Super Senior Step-Up Rate Formula</i> ) to this Bond Agreement.
Total Loss Event	Means the actual or constructive total loss of any Vessel.
Tranche	Means all of the Tranche A Bonds or all of the Tranche B Bonds, as the case may be.
Tranche A Bondholder Representative	Means, for the purposes of the Ongoing Funding Agreement, a representative of the Tranche A Bondholders, appointed from time to time in accordance with Clause 7.10 ( <i>Tranche A Bondholder Representative</i> ) of this Bond Agreement.
Tranche A Bondholders' Entrenched Right Matters	<p>Means matters, events and/or circumstances (as applicable) which:</p> <p>(a) would result in the aggregate principal amount of the Tranche B Bonds (other than any additional Tranche B Bonds that are issued as a result of the accrual of the Tranche B Bonds PIK Rate) exceeding the amount of the Tranche B Bonds Initial Bond Issue;</p> <p>(b) would constitute an increase, by reference to the position as at the Issue Date, in the amount of interest, or the basis of accrual of additional interest, fees or commission relating to the Tranche B Bonds;</p> <p>(c) would make the Issuer liable to make, by reference to the position as at the Issue Date, additional or increased payments with respect</p>

	<p>to the Tranche B Bonds;</p> <p>(d) would result in the Tranche B Bonds Maturity Date occurring prior to the date which falls six (6) years after the Tranche B Bonds Issue Date; or</p> <p>(e) would change or would have the effect of changing the definition or use of Tranche A Bondholders' Entrenched Right Matters.</p>
Tranche A1 Bondholders' Entrenched Right Matters	<p>Means matters, events and/or circumstances (as applicable) which:</p> <p>(a) would result in an extension of the Tranche A1 Bonds Maturity Date (a "<b>Tranche A1 Bonds Maturity Extension</b>"); or</p> <p>(b) would change or would have the effect of changing the definition or use of Tranche A1 Bondholders' Entrenched Right Matters.</p>
Tranche A2 Bondholders' Entrenched Right Matters	<p>Means matters, events and/or circumstances (as applicable) which:</p> <p>(a) would result in an extension of the Tranche A2 Bonds Maturity Date (a "<b>Tranche A2 Bonds Maturity Extension</b>"); or</p> <p>(b) would change or would have the effect of changing the definition or use of Tranche A2 Bondholders' Entrenched Right Matters.</p>
Tranche A Bondholders Acceleration Instruction	Has the meaning given to it in Clause 5.3.1 ( <i>Acceleration instructions</i> ) of this Bond Agreement.
Tranche A Bondholders Enforcement Instruction	Has the meaning given to it in Clause 5.3.2 ( <i>Enforcement instructions</i> ) of this Bond Agreement.
Tranche A Bonds	Means the Tranche A1 Bonds and the Tranche A2 Bonds.
Tranche A Bonds Call Price	Has the meaning given to it in Clause 1.1 ( <i>Tranche A Bonds</i> ) of this Bond Agreement.
Tranche A Bonds Final Redemption	Has the meaning given to it in Clause 4.9.11 ( <i>Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium</i> ) of this Bond Agreement.
Tranche A Bonds Final Redemption Date	Has the meaning given to it in Clause 4.9.11 ( <i>Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium</i> ) of this Bond Agreement.
Tranche A Bonds Maturity Date	Has the meaning given to it in Clause 1.1 ( <i>Tranche A Bonds</i> ) of this Bond Agreement.
Tranche A Outstanding Bonds	Means any Tranche A Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche A Voting Bonds	Means the Tranche A Outstanding Bonds less the Issuer's Bonds which are Tranche A Bonds.
Tranche A1 Bondholders Investment Amount	Means an amount equal to the aggregate Tranche A Bonds Issue Price (as defined in Clause 1.1 ( <i>Tranche A Bonds</i> ) of this Bond Agreement) (expressed in USD) paid by all Tranche A1 Bondholders to the Issuer for the subscription of Tranche A1 Bonds on the Tranche A Bonds Issue Date.
Tranche A1 Bonds	Means the Tranche A Bonds issued on the Issue Date which has been allocated ISIN NO0010814627.
Tranche A1 Bonds Maturity	Means the maturity date of the Tranche A1 Bonds being, as at the date of



Date	this Bond Agreement, the Tranche A Bonds Maturity Date.
Tranche A1 Bonds Maturity Extension	Has the meaning given to it in the definition of “Tranche A1 Bondholders' Entrenched Right Matters” in this Bond Agreement.
Tranche A1 Outstanding Bonds	Means any Tranche A1 Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche A1 Voting Bonds	Means the Tranche A1 Outstanding Bonds less the Issuer’s Bonds which are Tranche A1 Bonds.
Tranche A2 Bondholders Investment Amount	Means an amount equal to the aggregate Tranche A Bonds Issue Price (as defined in Clause 1.1 ( <i>Tranche A Bonds</i> ) of this Bond Agreement) (expressed in USD) paid by all Tranche A2 Bondholders to the Issuer for the subscription of the Tranche A2 Bonds on the Tranche A Bonds Issue Date.
Tranche A2 Bonds	Means the Tranche A Bonds issued on the Issue Date which has been allocated ISIN NO0010814643.
Tranche A2 Bonds Maturity Date	Means the maturity date of the Tranche A2 Bonds being, as at the date of this Bond Agreement, the Tranche A Bonds Maturity Date.
Tranche A2 Bonds Maturity Extension	Has the meaning given to it in the definition of “Tranche A2 Bondholders' Entrenched Right Matters” in this Bond Agreement.
Tranche A2 Outstanding Bonds	Means any Tranche A2 Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche A2 Voting Bonds	Means the Tranche A2 Outstanding Bonds less the Issuer’s Bonds which are Tranche A2 Bonds.
Tranche B Bondholder Representative	Means, for the purposes of the Ongoing Funding Agreement, a representative of the Tranche B Bondholders, appointed from time to time in accordance with Clause 7.11 ( <i>Tranche B Bondholder Representative</i> ) of this Bond Agreement.
Tranche B Bondholders Enforcement Period	Means: (a) in the case of a payment default with respect to the Tranche A Bonds which is continuing, a period of ninety (90) days from and including the Business Day immediately following the date on which the relevant Event of Default occurred; or (b) in the case of any default which is continuing other than a payment default with respect to the Tranche A Bonds, a period of one hundred and twenty (120) days from and including the Business Day immediately following the date on which the relevant Event of Default occurred.
Tranche B Bondholders' Entrenched Right Matter Resolution	Has the meaning given to it in Clause 7.5 ( <i>Tranche B Bondholders' Entrenched Right Matters</i> ) of this Bond Agreement.
Tranche B Bondholders' Entrenched Right Matters	Means such matters, events and/or circumstances (as applicable) which: (a) would result in the aggregate principal amount of the Tranche A Bonds (other than any additional Tranche A Bonds that are issued as a result of the accrual of the Tranche A Bonds PIK Rate) exceeding the amount of the Tranche A Bonds Initial Bond Issue; (b) would constitute an increase, by reference to the position as at the

	<p>Issue Date, in the amount of interest, or the basis of accrual of additional interest, fees or commission relating to the Tranche A Bonds;</p> <p>(c) would, by reference to the position as at the Issue Date, render the Issuer liable for additional or increased payments with respect to the Tranche A Bonds (other than as a result of a Tranche A1 Bonds Maturity Extension and/or a Tranche A2 Bonds Maturity Extension); or</p> <p>(d) would change or would have the effect of changing the definition or use of Tranche B Bondholders' Entrenched Right Matters.</p>
Tranche B Bondholders Acceleration Instruction	Has the meaning given to it in Clause 5.3.1 ( <i>Acceleration instructions</i> ) of this Bond Agreement.
Tranche B Bondholders Enforcement Instruction	Has the meaning given to it in Clause 5.3.2 ( <i>Enforcement instructions</i> ) of this Bond Agreement.
Tranche B Bonds	Means the Tranche B Bonds issued on the Issue Date which have been allocated ISIN NO001_____
Tranche B Bonds Call Price	Has the meaning given to it in Clause 1.2 ( <i>Tranche B Bonds</i> ) of this Bond Agreement.
Tranche B Bonds Interest Rate Election Certificate	Means the certificate to be delivered by the Issuer to the Bond Trustee from time to time in accordance with Clause 4.9.4 of this Bond Agreement and substantially in the form set out in Schedule 7 of this Bond Agreement.
Tranche B Bonds Maturity Date	Has the meaning given to it in Clause 1.2 ( <i>Tranche B Bonds</i> ) of this Bond Agreement.
Tranche B Outstanding Bonds	Means any Tranche B Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche B Voting Bonds	Means the Tranche B Outstanding Bonds less the Issuer's Bonds which are Tranche B Bonds.
Unsecured Facility	Means any facility or agreement entered into by a Group Company after the date of this Bond Agreement on an unsecured basis for the purposes of issuing any standby or documentary letters of credit, performance bonds or guarantees.
US Securities Act	Means the U.S. Securities Act of 1933, as amended.
USD	Means US Dollars, being the legal currency of the United States of America.
Vessel	Means each DP3 Vessel and any other vessel acquired by a Shipowning Subsidiary from time to time.
Vessel Mortgage	Means a first priority ship mortgage over a Vessel (and where local law requires a statutory vessel mortgage, a deed of covenants collateral to the vessel mortgage and to the security thereby created between the applicable Shipowning Subsidiary and the Security Agent).
Voting Bonds	Means each of the Tranche A Voting Bonds or the Tranche B Voting Bonds (or both, as the context requires).
Written Resolution	Means a written (or electronic) solution for decision making among the Bondholders, as set out in Clause 7.9 ( <i>Written Resolutions</i> ) of this Bond

	Agreement.
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## **2.1. Construction**

2.1.1. In this Bond 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 are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;
- (e) references 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) an Event of Default is “continuing” if it has not been remedied or waived; and
- (g) references to a “person” shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

## **3. SPECIAL TERMS OF THE BONDS**

### **3.1. Use of proceeds**

3.1.1. The Issuer has resolved to issue the Tranche A1 Bonds to the Tranche A1 Bondholders. The Tranche A1 Bonds will be issued at the Tranche A Bonds Issue Price and the aggregate principal amount of the Tranche A1 Bonds Initial Bond Issue shall be USD 38,000,000. The proceeds of the Tranche A1 Bonds will be used in accordance with the Restructuring Implementation Deed as follows:

- (a) USD 10,099,281 will be applied in partial redemption in cash of the outstanding Liquidity Bonds (at a redemption price of 105 per cent. of par payable on the Liquidity Bonds) (together with all accrued and unpaid interest thereon). The proportion of the Liquidity Bonds so redeemed in cash shall be one-third of the Liquidity Bonds outstanding on the Tranche A Bonds Issue Date. The obligations and liabilities of the Liquidity Bond Issuer under the Liquidity Bonds will have been novated to the Issuer prior to such redemption under the terms of the Restructuring Implementation Deed;
- (b) USD 10,000,000 will be retained by the Bond Trustee until the Blocked Cash Account has been opened by the Issuer, secured in favour of the Security Agent, and blocked to the order the Bond Trustee, in each case on terms satisfactory to the Bond Trustee; and
- (c) all remaining proceeds to be used for the general corporate purposes of the Group.

3.1.2. The Issuer has resolved to issue the Tranche A2 Bonds to the Tranche A2 Bondholders. On the Tranche A Bonds Issue Date, the balance of the Liquidity Bonds which remain outstanding following the partial redemption in cash made pursuant to Clause 3.1.1 above, shall, in accordance with the Restructuring Implementation Deed, be redeemed in kind and at a price of 105 per cent. of par (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) through the issuance of the Tranche A2 Bonds to the holders of the Liquidity Bonds on a pro rata basis. The obligations and liabilities of the Liquidity Bond Issuer under the Liquidity Bonds will have been novated to the Issuer prior to such redemption under the terms of the Restructuring Implementation Deed. The Tranche A2 Bonds will be issued at the Tranche A Bonds Issue Price, and the principal amount of the Tranche A2 Bonds Initial Bond Issue shall be USD 21,487,832. As a consequence of the aforementioned discharge of remaining outstanding Liquidity Bonds, no cash proceeds are raised by the Issuer as a result of the issuance of the Tranche A2 Bonds.

- 3.1.3. The Issuer has resolved to issue the Tranche B Bonds to the Tranche B Bondholders. On the Tranche B Bonds Issue Date, the Existing Bonds (together with all accrued but unpaid cash pay interest thereon) shall, in accordance with the Restructuring Implementation Deed, be transferred to the Issuer in exchange for the issuance of Tranche B Bonds to the holders of the Existing Bonds on a pro rata basis. The principal amount of the Tranche B Bonds Initial Bond Issue shall be USD 175,000,000. As a consequence of the aforementioned exchange, no cash proceeds are raised by the Issuer as a result of the issuance of the Tranche B Bonds.

**3.2. Status**

- 3.2.1. Subject to (in the case of any Credit Facility) the incurrence of Financial Indebtedness under such Credit Facility and the entry into of an Intercreditor Agreement reflecting the order of priority and subordination set out in the Intercreditor Principles, as a matter of contract under the Finance Documents:
- (a) the Tranche A Bonds shall constitute senior secured debt liabilities of the Issuer and shall rank: (a) junior to any indebtedness outstanding under any Super Senior Bonding Facility, (b) *pari passu* between themselves and all indebtedness outstanding under any Credit Facility that is not a Super Senior Bonding Facility, and (c) senior to the Tranche B Bonds and (d) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application);
  - (b) the Tranche B Bonds shall constitute senior secured debt liabilities of the Issuer and shall rank: (a) junior to the Tranche A Bonds and all indebtedness outstanding under each Credit Facility, (b) *pari passu* between themselves; and (c) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and
  - (c) each Obligor's payment obligations under this Bond Agreement shall rank ahead of all payment obligations of that Obligor which are contractually subordinated, or subordinated by operation of law to the payment of either the Bonds or to all general payment obligations of that Obligor.
- 3.2.2. If the Bond Trustee and the Issuer have at any time entered into an Intercreditor Agreement with, amongst others, a Credit Facility Provider, in the event of there being any conflict between this Clause 3.2 (*Status*) of this Bond Agreement and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail.

**3.3. Security**

- 3.3.1. The Bonds, including accrued but unpaid interest, costs and expenses, shall be secured by the Security Interests and shall be guaranteed by the Guarantors pursuant to the Guarantees.
- 3.3.2. Notwithstanding the foregoing, but subject always to Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement, the Security Interests shall secure the Bonds in the following order of priority:
- (a) *first*, the Tranche A Bonds and all indebtedness outstanding under each Credit Facility (if applicable) (on a *pari passu* basis); and
  - (b) *second*, the Tranche B Bonds (on a *pari passu* basis).
- 3.3.3. If required by any Group customer under any employment contract involving a Vessel or any of such customer's creditors, the Bond Trustee (on behalf of the Tranche A Bondholders and the Tranche B Bondholders) shall, to ensure the undisturbed use of the relevant Vessel(s), enter into a Quiet Enjoyment Letter in respect of the relevant Vessel(s) containing, without limitation, the

covenant set out below, or such other wording with the same purpose and content as the Bond Trustee shall agree.

*"The Bond Trustee may not interrupt the quiet use, possession and enjoyment of the [Vessel] by the [customer] as long as no [Owner Termination Event] (as such term is defined in the [employment contract]) is continuing and except as required by any applicable law binding on the Bond Trustee."*

### **3.4. Purchase and transfer of Bonds**

- 3.4.1. 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, or its place(s) for doing business). Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.
- 3.4.2. 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 Agreement.

## **4. GENERAL TERMS OF THE BONDS**

### **4.1. Representations and warranties**

#### **4.1.1. General**

Each of the Issuer and the Parent makes the representations and warranties (and shall ensure that each Guarantor makes the representations and warranties in the Guarantees) set out in this Clause 4.1 (*Representations and warranties*) to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Signing Date; and
- (b) at the Issue Date.

#### **4.1.2. Information**

All information which has been presented to the Bond Trustee or the Bondholders by or on behalf of the Issuer, any Group Company or the Parent in relation to the Bonds is, to the best of its knowledge, having taken all reasonable measures to ensure the same:

- (a) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (b) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

#### **4.1.3. Requirements**

- (a) The Issuer has made a valid resolution to issue the Bonds and the provisions of the Finance Documents do not contravene any of the Issuer's other obligations.
- (b) All public requirements have been fulfilled (i.e. pursuant to Chapter 7 of the Norwegian Securities Trading Act), and any required public authorisation has been obtained.

#### **4.1.4. No Event of Default**

- (a) No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, this Bond Agreement or the other Finance Documents.

- (b) No other event or circumstance is outstanding which constitutes (or with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

4.1.5. Status

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

4.1.6. Valid, binding and enforceable obligations

- (a) This Bond Agreement and each other Finance Document to which it, any Guarantor and any Shipowning Subsidiary is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.
- (b) The representation under paragraph (a) is subject to any reservations set out in any legal opinion delivered under Clause 4.2.17 (*Post-Issue Date Undertaking*) of this Bond Agreement (the "**Legal Reservations**").

4.1.7. Non-conflict with other obligations

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

4.1.8. Authorizations and consents

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

- (a) to enable it, any Guarantor and any Shipowning Subsidiary to enter into, exercise its rights and comply with its obligations under this Bond Agreement or any other Finance Document to which it is a party; and
- (b) to carry on its, any Guarantor's and any Shipowning Subsidiary's business as presently conducted and as contemplated by this Bond Agreement,

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

4.1.9. Litigation

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

4.1.10. No withholdings

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

4.1.11. Ranking of the Bonds

Subject to (in the case of any Credit Facility) the incurrence of Financial Indebtedness under such Credit Facility and the entry into of an Intercreditor Agreement reflecting the order of priority and subordination set out in the Intercreditor Principles, as a matter of contract under the Finance Documents:

- (a) The Issuer's payment obligations in respect of the Tranche A Bonds under this Bond Agreement rank (a) junior to all indebtedness outstanding under a Super Senior Bonding Facility (b) *pari passu* between themselves and all indebtedness outstanding under each Credit Facility, subject only to the terms of the Intercreditor Agreement, if any, and (c) senior to the Tranche B Bonds and (d) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and
- (b) the Issuer's payment obligations in respect of the Tranche B Bonds under this Bond Agreement rank (a) junior to the Tranche A Bonds and all indebtedness outstanding under each Credit Facility, (b) *pari passu* between themselves, and (c) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

#### 4.1.12. Security

- (a) No Security exists over any of the present assets of any Group Company in conflict with this Bond Agreement.
- (b) Subject to the Legal Reservations and the Perfection Requirements, the Security Interests have or will have the ranking in priority which they are expressed to have in the Security Documents and (with the exception of the existing vessel mortgages listed in item (c) of the definition of "Security Interests" which the parties to this Bond Agreement acknowledge are second ranking vessel mortgages), no asset of the Group which is subject to the Security Interests is subject to any prior ranking or *pari passu* ranking Security other than the Security arising by operation of law and not in the ordinary course of trading and not as a result of any default or omission by any member of the Group.

#### 4.1.13. Confirmation

The Bond Trustee may require a statement from the Issuer and/or the Parent confirming the Issuer's and/or the Parent's (as the case may be) compliance with this Clause 4.1 (*Representations and warranties*) at the times set out above.

### 4.2. General covenants

#### 4.2.1. Ranking of the Bonds

Subject to (in the case of any Credit Facility) the incurrence of Financial Indebtedness under such Credit Facility and the entry into of an Intercreditor Agreement reflecting the order of priority and subordination set out in the Intercreditor Principles, the Issuer and the Parent shall ensure that at all times:

- (a) the Issuer's payment obligations and the obligations of each Guarantor and each Shipowning Subsidiary in respect of the Tranche A Bonds under this Bond Agreement and any other Finance Document to which the Issuer is a party rank (i) junior to all indebtedness outstanding under a Super Senior Bonding Facility, (ii) *pari passu* between themselves and all indebtedness outstanding under any Credit Facility, subject only to the terms of the Intercreditor Agreement, if any, (iii) senior to the Tranche B Bonds and (iv) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for

such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and

- (b) the Issuer's payment obligations and the obligations of each Guarantor and each Shipowning Subsidiary in respect of the Tranche B Bonds under this Bond Agreement and any other Finance Document to which the Issuer is a party rank (i) junior to the Tranche A Bonds and all indebtedness outstanding under each Credit Facility, (ii) *pari passu* between themselves; and (iii) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with the claims of all other unsecured and unsubordinated creditors of the Issuer, the Parent and any other Guarantor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

#### 4.2.2. Mergers

The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganisation involving a consolidation of the assets and obligations of the Issuer or any of the Subsidiaries with any other companies or entities.

#### 4.2.3. De-mergers

The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, carry out any de-merger or other corporate reorganisation involving a split of the Issuer or any of the Subsidiaries into two or more separate companies or entities.

#### 4.2.4. Continuation of business – all Group Companies

- (a) Neither the Parent nor the Issuer shall cease to carry on its respective business.
- (b) Each of the Parent and the Issuer shall ensure that:
  - (i) no other Group Company ceases to carry on its business if any such cessation of business would have a Material Adverse Effect;
  - (ii) no material change is made to the general nature of the business of the Group; and
  - (iii) no Group Company which owns a DP3 Vessel ceases to carry on its business.

#### 4.2.5. Acquisitions, joint ventures and other actions by any Group Company

The Issuer and the Parent shall not, and shall each procure that no other Group Company shall:

- (a) acquire or lease-in any Vessel with a book or market value greater than USD 5,000,000;
- (b) enter into any inward lease, license or similar obligation under which the rental and all other payment obligations exceed USD 15,000,000 (or an equivalent amount in another currency); and
- (c) enter into any joint venture agreement or similar arrangement (excluding any joint venture existing as at the Signing Date), unless:
  - (i) the applicable Group Company maintains Decisive Influence over the joint venture or similar arrangement;
  - (ii) the joint venture agreement or similar arrangement applies for a period of less than one year;
  - (iii) each relevant charterer does not obtain operational control of any of the Vessels; and
  - (iv) the terms of the joint venture agreement or similar arrangement are governed by and required to be construed in accordance with English law and any dispute arising out of or in connection with any such joint venture agreement or similar arrangement is



required to be referred to arbitration in London in accordance with the Arbitration Act 1996.

**4.2.6. Capex restrictions**

The Issuer and the Parent undertake not to carry out, and shall each ensure that no Group Company shall carry out, any investments or capital expenditure, save for:

- (a) reasonable capital expenditure related to dry-docking and maintenance as required for the operations of the Group's vessels and to preserve their class and flag status; and
- (b) an additional allowance for capital expenditure, up to an amount equal to USD 2,500,000 in any Financial Year (provided that the Financial Year ending on 31 December 2018 shall be deemed to start, for the purposes of this Clause 4.2.6, on the Issue Date), on construction equipment, office facilities, maintenance and material upgrades to the Group's Vessels and provided further that capital expenditure incurred by a Group Company in relation to a specific project, which expenditure is charged to or reimbursable by the contract counterparty in respect of that project, shall not count towards this annual basket.

**4.2.7. Material disposals**

The Issuer and the Parent shall not, and shall each procure that no other Group Company shall, sell or otherwise dispose of (directly or indirectly, including as part of any joint venture agreement or similar arrangement, and whether in a single transaction or a series of transactions, whether related or not):

- (a) all or a substantial part of the Group's assets or operations;
- (b) any Vessel;
- (c) any shares in any Shipowning Subsidiary; or
- (d) any shares in any Group Company which is a party to a Material Contract.

**4.2.8. Arm's length transactions**

- (a) The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, engage in, either directly or indirectly, any transaction with any person (including without limitation, employment, 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 the Issuer, the Parent or such Group Company's business and upon fair and reasonable terms that are no less favourable to the Issuer, the Parent or such Group Company, as the case may be, than those which might be obtained on arm's length terms and for fair market value at the time.
- (b) The restriction in paragraph (a) shall not apply to the Ongoing Funding Agreement or the Management Services Agreement, but such restriction shall apply to any amendment thereto.

**4.2.9. Corporate status**

The Issuer and the Parent shall not, and shall each ensure that no other Group Company (including each Guarantor and Shipowning Subsidiary) shall, change its type of organisation or jurisdiction of incorporation.

**4.2.10. Financial Year-end**

- (a) The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, change its Financial Year-end.
- (b) The restriction in paragraph (a) shall not prevent any Group Company that was incorporated after 1 July 2017 setting its first accounting period for a period which ends on 31 December in a particular year but which is longer than 12 (but less than 24) months.

4.2.11. Compliance with laws

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

4.2.12. Financial Support restrictions

The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, grant any Financial Support to or for the benefit of any third party or other Group Companies other than:

- (a) the first priority Gibraltar law governed Vessel Mortgages granted in favour of the Existing Bond Trustee granted to secure the Existing Bonds;
- (b) the deeds of covenants related to the documents referred to at paragraph (a) above;
- (c) Financial Support in relation to the Bond Issue;
- (d) Financial Support in connection with paragraphs (a), (b), or (d) of the definition of Permitted Financial Indebtedness so long as the Financial Support in connection therewith shall be limited to the provision of each Guarantee and the Security Interests granted by the relevant Group Company to the Security Agent;
- (e) the Ongoing Funding Agreement and the Management Services Agreement; and
- (f) subject to Clauses 4.3.1 (*Negative Pledge*) and 4.3.3 (*Financial Indebtedness restrictions*) of this Bond Agreement, Financial Support in the ordinary course of business including (but not limited) to the operation of the Vessels and its banks accounts.

4.2.13. The accounts

- (a) At all times (or, with respect to any earnings related to the Vessels received by Sea Trucks Australia Pty Limited, at all times following the effective date of the STA Whitewash), the Issuer and the Parent shall ensure that all earnings related to the Vessels shall be paid:
  - (i) directly from the relevant contracting party to a Secured Account; or
  - (ii) if the contract counterparty with whom a Vessel is employed requires that earnings are paid into some other account, first into that other account and, from there, an amount equal to those earnings shall be promptly transferred in full into a Secured Account.
- (b) If, at any time following the Issue Date, the Issuer, the Parent and/or any Guarantor open one or more new or replacement bank account(s) with the intention of depositing into that account earnings related to the Vessels (the "**New Earnings Account(s)**"), then before any such earnings related to the Vessels may be deposited into one or more New Earnings Account(s), the Issuer and/or the Parent shall ensure that:
  - (i) the New Earnings Account(s) is opened with a first class international bank (with a minimum "A" credit rating from S&P or Moody's) (provided that no Group Company shall have any obligation to open, or move any credit balances to, an account with a new bank if the credit rating of the bank with which any New Earnings Account is held is subsequently downgraded); and
  - (ii) the relevant Group Company which has opened the New Earnings Account(s) grants to the Security Agent a first ranking Security Interest over the New Earnings Account(s) for the benefit of Security Agent and the Secured Creditors in a form and substance satisfactory to the Security Agent so that the New Earnings Account(s) is a/are Secured Account(s).

4.2.14. Group Company Guarantees and Accession to the Security Trust Deed

Without prejudice to Clause 4.2.17 (*Post-Issue Date Undertakings*) of this Bond Agreement, the Issuer and the Parent shall procure that each Group Company (other than an Exempt Company) shall promptly, and in any event within ten (10) Business Days of becoming a Group Company:

- (a) grant a Guarantee (including by way of acceding to the Original Guarantee, the Sea Trucks DMCC Guarantee or the Sea Trucks Group FZE Guarantee, if applicable, in accordance with the terms thereof) in favour of the Security Agent for itself and on behalf of the Secured Parties which, if the Guarantee is not granted by way of the relevant Group Company acceding to the Original Guarantee, the Sea Trucks DMCC Guarantee or the Sea Trucks Group FZE Guarantee, is otherwise in a form and substance satisfactory to the Bond Trustee;
- (b) grant whatever Security the Bond Trustee may reasonably require, including, without limitation, Security similar to those granted under the Security Documents; and
- (c) accede to the Security Trust Deed as an Additional Guarantor (as defined in the Security Trust Deed), including delivering to the Bond Trustee copies of the deliverables listed in Clause 9.3 (*Accession of additional Guarantors*) of the Security Trust Deed in accordance with the terms thereof.

#### 4.2.15. Jascon 30 Security

The Issuer and the Parent shall procure that, if the Jascon 30 is acquired at any time after the Issue Date by a Group Company, the immediate Holding Company of that Group Company shall promptly, and in any event within ten (10) Business Days, enter into in favour of the Security Agent:

- (a) a first priority pledge over the entire issued share capital of that Group Company; and
- (b) a second ranking Gibraltar law vessel mortgage and accompanying English law governed deed of covenant with respect to the Jascon 30,

in each case in form and substance acceptable to the Bond Trustee (acting reasonably).

#### 4.2.16. Security for vessel acquisitions

Subject to Clause 4.2.15 (*Jascon 30 Security*) of this Bond Agreement, the Issuer and the Parent shall procure that if any vessel is acquired at any time after the Issue Date by a Group Company, the Group Company promptly, and in any event within ten (10) Business Days, enters into a Vessel Mortgage with respect to that vessel in favour of the Security Agent.

#### 4.2.17. Post-Issue Date Undertakings

The Issuer and the Parent undertake that:

- (a) on the Issue Date:
  - (i) the Bonds will have been registered in the CSD;
  - (ii) the Original Guarantee, the Sea Trucks DMCC Guarantee, the Sea Trucks Group FZE Guarantee and the Security Documents have been signed and released by the relevant Obligor; and
  - (iii) each Group Company (other than an Exempt Company) shall be party to the Security Trust Deed.
- (b) each Group Company shall undertake all steps and actions as are reasonably required to be undertaken by it to ensure that, by no later than fourteen (14) Business Days after the Issue Date, the Bond Trustee has received confirmation that the Security Interests have been perfected in accordance with the relevant law (where applicable);
- (c) each Group Company shall undertake all steps and actions as are reasonably required to be undertaken by it to ensure that:

- (i) by no later than five (5) Business Days after the Issue Date, the Bond Trustee and the Security Agent have received any legal opinions (other than the legal opinion to be issued by the Security Agent's Australian counsel (the "**Australian Legal Opinion**")) required by the Bond Trustee and the Security Agent in respect of this Bond Agreement, the Original Guarantee, the Sea Trucks DMCC Guarantee, the Sea Trucks Group FZE Guarantee and the Security Documents; and
  - (ii) by no later than five (5) Business Days after the STA Whitewash has been completed in accordance with Australian law, the Bond Trustee and the Security Agent have received the Australian Legal Opinion in respect of the Original Guarantee and the Security Documents evidencing, creating or granting the Security Interests granted by Sea Trucks Australia Pty Ltd.
- (d) Sea Trucks Australia Pty Ltd shall undertake all steps and actions as are reasonably required to be undertaken by it to ensure that:
- (i) by no later than thirty (30) Business Days after the Issue Date, the STA Whitewash has been completed in accordance with the laws of the Commonwealth of Australia; and
  - (ii) as soon as reasonably practicable after the Issue Date (unless already done so), STA, the Security Agent and Australia and New Zealand Banking Group Limited ("**ANZ**") enter into an account control deed with respect to the bank accounts held by STA with ANZ in form and substance satisfactory to the Security Agent, provided that the obligations of the Parent and the Issuer under this paragraph (ii) shall be subject to ANZ's willingness to enter into such an account control deed.

### 4.3. Special covenants

#### 4.3.1. Negative pledge

The Issuer and the Parent shall not, and shall each 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 or deposit cash collateral, other than:

- (a) the encumbrances granted to secure the Bond Issue;
- (b) the first priority Gibraltar law governed Vessel Mortgages granted in favour of the Existing Bond Trustee granted to secure the Existing Bonds subject to any changes to the Existing Bonds Subordination Agreement;
- (c) encumbrances granted to secure any Credit Facility in accordance with the terms of the Bond Agreement (including the Intercreditor Principles);
- (d) any lien arising by operation of law;
- (e) any lien, netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangements; and
- (f) as arises under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to 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 Group Company.

#### 4.3.2. Restriction on distributions

- (a) Except as permitted under Clause 4.3.2(b) (*Restrictions on distributions*) below, the Issuer and the Parent shall not, and shall each ensure that no other Group Company shall:
  - (i) declare or make any dividend payment, repurchase of shares or make any other distributions or payments to its shareholders (including servicing of shareholder

loans), whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect during the lifetime of the Bonds; or

- (ii) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

(in each case, a “**Distribution**”).

- (b) Clause 4.3.2(a) (*Restrictions on distributions*) above does not apply to a Permitted Distribution.

#### 4.3.3. Financial Indebtedness restrictions

- (a) The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, incur, create or permit to subsist any Financial Indebtedness (including guarantees) other than:
  - (i) Financial Indebtedness arising under the Bond Issue; and
  - (ii) Permitted Financial Indebtedness.
- (b) The Issuer and the Parent shall ensure that any amount borrowed under any Initial Refinancing Facility is promptly applied in early redemption (in full) of all Tranche A Outstanding Bonds.
- (c) The Issuer and the Parent shall ensure that any amount borrowed under any Subsequent Refinancing Facility is promptly applied in repayment (in full) of the Initial Refinancing Facility or any existing Subsequent Refinancing Facility, as the case may be.

#### 4.3.4. Restrictions on Existing Bonds

Without prejudice to the terms of the Existing Bond Subordination Agreement, the Issuer and the Parent shall not, and shall each ensure that no other Group Company shall:

- (a) sell, transfer or otherwise dispose of any of the Existing Bonds;
- (b) amend or waive the terms of the Existing Bonds; or
- (c) release, enforce, amend or otherwise deal with any security granted in favour of the Existing Bonds.

#### 4.3.5. The Retention Account

- (a) As soon as reasonably practicable following the Issue Date, the Issuer and the Parent shall establish the Retention Account with a first class international bank (with minimum "A" credit rating from S&P or Moody's) and enter into an Account Control Agreement (the “**Retention Account Opening Date**”) with the Security Agent and the bank with which the Retention Account is opened.
- (b) On or promptly following the Retention Account Opening Date, the Issuer shall grant to the Security Agent a first ranking Security Interest over the Retention Account for the benefit of Security Agent and the Secured Creditors in a form and substance satisfactory to the Security Agent (the “**Retention Account Security Uptake Date**”).
- (c) On and from the Retention Account Security Uptake Date and at all times thereafter, the Issuer and the Parent shall ensure that a minimum balance of USD 1,000,000 is standing to the credit at the Retention Account.
- (d) Any release of monies standing to the credit of the Retention Account shall require the consent of a Bondholder Meeting of the Bondholders.

#### 4.3.6. Restriction on hedging

The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, enter into a Hedging Transaction other than for non-speculative purposes and in the ordinary

course of its business to manage risks inherent in its business or to hedge its exposure with respect to any interest rate or exchange rate under any Permitted Financial Indebtedness incurred by it or commercial contract entered into by it in accordance with the terms of this Bond Agreement (each such permitted transaction a "**Permitted Hedging Transaction**").

4.3.7. Compliance with Existing Bonds Subordination Agreement

The Issuer shall comply at all times with its obligations under Existing Bonds Subordination Agreement.

4.3.8. Ongoing Funding Agreement Termination Notice

If, at any time, the Issuer receives an Ongoing Funding Agreement Termination Notice, the Issuer shall immediately, as Lender (as that term is defined in the Ongoing Funding Agreement), serve notice under clause 2.2 (*Cancellation of the Facility Limit*) of the Ongoing Funding Agreement cancelling its commitments in full in relation to the facility made available by it under the Ongoing Funding Agreement by providing 1 month's prior notice in accordance with the terms of the Ongoing Funding Agreement.

4.3.9. The Blocked Cash Account

- (a) As soon as reasonably practicable following the Issue Date, the Issuer shall establish the Blocked Cash Account with a first class international bank (with minimum "A" credit rating from S&P or Moody's) and enter into an Account Control Agreement (the "**Blocked Cash Account Opening Date**") with the Security Agent and the bank with which the Blocked Cash Account is opened.
- (b) On or promptly following the Blocked Cash Account Opening Date, the Issuer shall grant to the Security Agent first ranking Security over the Blocked Cash Account for the benefit of the Security Agent and the Secured Creditors in a form and substance satisfactory to the Security Agent.

**4.4. Financial covenants**

4.4.1. Minimum Liquidity

- (a) The Issuer and the Parent shall ensure that the Group maintains a Liquidity of a minimum of USD 5,000,000 at all times from and including the Issue Date to the Tranche B Bonds Maturity Date, such amount including, for the avoidance of doubt, any amount standing to the credit of the Retention Account.
- (b) Compliance with the above covenants shall be calculated on a consolidated basis for the Group, and such compliance is to be tested on each Quarter Date and certified with each set of Financial Statements made available to the Bond Trustee.
- (c) If at any time the Liquidity of the Group is, or is forecast by the Parent or the Issuer to be less than USD 15,000,000, the Issuer and the Parent shall promptly (and in any event within two (2) Business Days) notify the Bond Trustee of that event or forecast and, for each calendar week after the calendar week in which that event occurred or forecast was made, until such time as the Issuer or the Parent confirms in writing to the Bond Trustee that the Liquidity of the Group (1) is more than USD 15,000,000, and (2) is not forecast to fall below USD 15,000,000 for the next 13 calendar weeks, (i) prepare and deliver to the Bond Trustee on a calendar weekly basis (by no later than Friday of each calendar week) a Cash Flow Forecast, and (ii) confirm to the Bond Trustee whether or not at any time during the period covered by the relevant Cash Flow Forecast the Liquidity of the Group is forecast to fall below USD 5,000,000.
- (d) In preparing each Cash Flow Forecast pursuant to paragraph (c) above, the Issuer and the Parent:
  - (i) may take into account amounts standing to the credit of:

- (A) the Blocked Cash Account, the release of which has been approved by a simple majority of the Tranche A Voting Bonds; and
- (B) the Retention Account, the release of which has been approved by a simple majority of the Voting Bonds,

where, in each case, such release will be made to (or to the order of) the Issuer within the relevant 13 week period; but

- (ii) may not take into account amounts standing to the credit of the Blocked Cash Account or the Retention Account that are the subject of an actual or anticipated drawdown request which has not been approved by a simple majority of, respectively, the Tranche A Voting Bonds or the Voting Bonds.

#### 4.5. Vessel covenants

##### 4.5.1. Vessel Insurances

- (a) The Issuer and the Parent shall ensure that reasonable and satisfactory insurances are maintained in respect of the Vessels, and all relevant equipment related thereto, at all times.
- (b) The Issuer and the Parent shall ensure that, during operation of the Vessels, the Vessels are properly maintained according to the relevant planned maintenance system.
- (c) Without limitation to the generality of (a) above, the Issuer and the Parent shall ensure that each Vessel is adequately insured:
  - (i) against Hull & Machinery risks (including war risk) at least to the Market Value of the Vessel and, in aggregate, the Vessels shall be insured against Hull & Machinery risks (including war risk) to at least 120 per cent. of the outstanding amount under the Finance Documents;
  - (ii) with third party liability insurance as per industry standards;
  - (iii) with mortgagee interest insurance; and
  - (iv) with any additional insurance required under any law or any contract,(items (a) and (c) in this Clause 4.5.1 (*Vessel Insurances*) together the “**Vessel Insurances**”); and
- (d) The Issuer and the Parent shall ensure that the Vessel Insurances and any loss payee clause contained in the Vessel Insurances shall be in accordance with a relevant marine insurance plan or other insurances with no less favourable terms.

##### 4.5.2. Title

The Issuer and the Parent shall procure that the Shipowning Subsidiaries shall hold full legal title to and own the entire beneficial interest in the Vessels, free of any and all encumbrances except for those expressly permitted under this Bond Agreement.

##### 4.5.3. Maintenance of class

The Issuer and the Parent shall ensure that the Vessels maintain their class and that they remain registered in:

- (a) in the case of a DP3 Vessel, in Gibraltar; and
- (b) in the case of any other Vessel, in St. Vincent and The Grenadines.

##### 4.5.4. Secondary flagging

The Issuer and the Parent shall not, and shall each procure that no Shipowning Subsidiary shall, allow any Vessel to fly any flag (secondary or otherwise) other than the flag specified in Clause 4.5.3 (*Maintenance of class*) of this Bond Agreement.

**4.5.5. Maintenance of name**

The Issuer and the Parent shall, and shall each procure that each Shipowning Subsidiary shall, ensure that the Vessels do not change their current name unless the Vessels are renamed “Telford [number]”.

**4.5.6. Condition**

The Issuer and the Parent shall ensure that the Vessels are kept in a good and safe condition and repair consistent with prudent ownership and industry standards.

**4.5.7. Operations in accordance with laws etc.**

The Issuer and the Parent shall at all times ensure that each Vessel is operated in accordance with any laws, regulations, administrative decisions and/or other public authorities as applicable from time to time and jurisdiction to jurisdiction.

**4.5.8. Bareboat Arrangements**

The Issuer and the Parent shall, and shall each procure that each Shipowning Subsidiary shall:

- (a) be entitled to bareboat charter a Vessel to a charterer and that charterer shall be entitled to bareboat register the Vessel in a local ship register in order for the Vessel to fly a local flag, provided that:
  - (i) the charterer is a Group Company; or
  - (ii) the charterer is not a Group Company and the following conditions are met:
    - (A) the charterer is a reputable third party operator;
    - (B) the Vessel is not a DP3 Vessel;
    - (C) the relevant bareboat charter contract is for less than 365 days;
    - (D) the relevant bareboat charter contract requires that all payments are made at least monthly by that charterer to the Secured Account of the relevant Group Company in cash;
    - (E) the Group is not party to more than ten bareboat charter contracts in aggregate with that charterer (and/or any of its Affiliates) at any time;
    - (F) the laws of the relevant jurisdiction of such local ship register recognises the rights of the Security Agent as mortgagee of the Vessel in respect of the parallel registration of the Vessel and enforcement of the mortgage; and
    - (G) if a Vessel is bareboat chartered to a third party and registered with any local ship register with a local flag, the Issuer obtains from each bareboat charterer in the local jurisdiction, a power of attorney granted in favour of the Security Agent authorising the deregistration from the local bareboat register; and
- (b) in respect of any Vessels which, in accordance with the terms of this Bond Agreement, have been bareboat chartered to a third party and registered on any local registry with a local flag, use all reasonable efforts to obtain and provide the Bond Trustee with evidence that the relevant Vessel Mortgages have been noted on the local bareboat register as soon as practically possible after the registration of the Vessel Mortgages on the relevant registry.

**4.6. Information covenants**

**4.6.1. Subject to Clause 4.6.2, the Issuer and the Parent shall:**

- (a) promptly inform the Bond Trustee in writing of any Event of Default of which it is aware, any event or circumstance which the Issuer reasonably understands or ought reasonably to understand may lead to an Event of Default and any other event of which it is aware which may have a Material Adverse Effect;



- (b) on each of the quarterly telephone conference calls held in accordance with Clause 4.6.1(i) below, inform the Bond Trustee and Bondholders of the successful outcome of any tender process for any contract or other arrangement that would result in a Material Contract, provided that neither the Issuer nor the Parent shall be obliged to disclose any information on such calls that (i) would result in any Group Company being in breach of any duty of confidentiality owed by it or (ii) is, at that time, materially commercially sensitive;
- (c) inform the Bond Trustee of any public judgments or decisions which it becomes actually aware of in relation to any existing or future litigation involving Sea Trucks Group Limited (in liquidation) or any of its Subsidiaries provided that no Group Company shall have any obligation to monitor the progress of such litigation proceedings other than in accordance with the terms of the Ongoing Funding Agreement;
- (d) promptly upon becoming aware of them, inform the Bond Trustee of the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group and which, if adversely determined, are reasonably likely to have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding \$1,000,000 (or its equivalent in other currencies);
- (e) prepare Financial Statements in respect of each Financial Year ending on or after 31 December 2018 and make them available to the Bond Trustee and Bondholders in the English language (alternatively by arranging for publication at Stamdata) as soon as they become available, and not later than 120 days after the end of the relevant Financial Year;
- (f) prepare Interim Accounts in respect of each quarter ending on or after 31 March 2018 and make them available to the Bond Trustee and Bondholders in the English language (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 60 days after the end of the relevant financial quarter;
- (g) on the date falling seven (7) days prior to each Interest Payment Date falling on or after 23 September 2018, inform the Bond Trustee of:
  - (i) the Adjusted Liquidity Amount; and
  - (ii) any Cash Sweep Amount;
- (h) (i) at the request of the Bond Trustee, (ii) annually for so long as any Bonds are outstanding and (iii) at any time following the occurrence of an Event of Default of which it is aware (but on no more than one occasion in respect of each occurrence of an Event of Default of which it is aware), provide a valuation for the purposes of determining the Market Value of each Vessel, the cost of any such valuation being for the account of the Issuer;
- (i) arrange quarterly telephone conference calls with the Bondholders to discuss earnings and management of the Group;
- (j) at the request of the Bond Trustee, report the balance of the Issuer's Bonds;
- (k) send the Bond Trustee copies of any statutory notifications of the Issuer;
- (l) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to that Exchange;
- (m) if it is listed and/or the Bonds are rated, inform the Bond Trustee of its rating and/or the rating of the Bond Issue, and any changes to such rating;
- (n) inform the Bond Trustee of changes in the registration of the Bonds in the Securities Depository;
- (o) within 14 days of request, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request, including but not limited to a Cash Flow Forecast;

- (p) for so long as any of the Bonds are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, each of the Issuer will, and, if applicable, the Issuer and Parent will each procure that each Guarantor will, during any period in which it is neither subject to Section 13 or 15 (d) of the U.S. Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish to any Bondholder or to any prospective purchaser of the Bonds (or to the Bond Trustee for delivery to such Bondholder or prospective purchaser of the Bonds) the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act, upon request by such Bondholder, prospective purchaser of the Bonds or the Bond Trustee; and
  - (q) on each Interest Payment Date if (A) any Tranche A Bonds are outstanding and a Super Senior Bonding Facility is in force, and (B) on any day during the preceding Interest Period a Credit Facility Provider had any amount outstanding to it (actually or contingently) under that Super Senior Bonding Facility, inform the Bond Trustee of the applicable Super Senior Step-Up Rate that shall be applied to that preceding Interest Period (calculated in accordance with Clause 4.9.5 (*Application of the Super Senior Step-Up Rate to the Tranche A Bonds PIK Rate*) of this Bond Agreement).
- 4.6.2. The Bond Trustee shall be permitted to provide the information received by it pursuant to paragraphs (h), (j), (l), (m), (n) and (q) of Clause 4.6.1 above (the “**Non-Sensitive Information**”) to the Bondholders in accordance with Clause 9.5 (a) and (b) (*Notices*) of this Bond Agreement. Any other information to be provided by the Issuer and/or the Parent to the Bond Trustee shall be subject to the provisions of Clause 9.5 (c) (*Notices*) of this Bond Agreement.
- 4.6.3. Notwithstanding the provisions of Clause 4.6.2 and Clause 9.5, under the terms of the Ongoing Funding Agreement, the Bond Trustee shall have the right to receive certain information (the “**Ongoing Funding Agreement Information**”). In order to receive the Ongoing Funding Agreement Information, the Bond Trustee will be obliged, under the terms of the Ongoing Funding Agreement, to enter into an authorised disclosure agreement under which it will provide certain confidentiality undertakings and an agreement as to the existence and terms of common interest privilege (the “**Authorised Disclosure Agreement**”). Under the terms of the Authorised Disclosure Agreement, the Bond Trustee may only disclose any Ongoing Funding Agreement Information in accordance with the terms of the Authorised Disclosure Agreement.
- 4.6.4. In connection with the delivery of the Issuer’s Interim Accounts and Financial Statements under Clauses 4.6.1(e) and 4.6.1(f) (*Information Covenants*) of this Bond Agreement, the Issuer and the Parent shall, in connection with compliance with the covenants in Clauses 4.2 (*General covenants*), 4.3 (*Special covenants*), 4.4 (*Financial covenants*), 4.5 (*Vessel covenants*), and 4.6 (*Information covenants*) of this Bond Agreement (together, the “**Bond Covenants**”), confirm to the Bond Trustee in writing the Issuer’s and Parent’s respective compliance with the Bond Covenants, unless the Bond Trustee explicitly waives such requirement. Such confirmation shall be undertaken in a certificate, substantially in the form set out in Schedule 1 (*Compliance Certificate*) hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a “**Compliance Certificate**”). In the event of non-compliance, the Compliance Certificate shall describe the non-compliance, the reasons therefor as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.
- 4.6.5. In connection with the calculation of the Cash Sweep Amount under Clause 4.9.10 (*Cash Sweep*) of this Bond Agreement, the Issuer shall confirm the information required to be delivered to the Bond Trustee pursuant to Clause 4.6.1(g) (*Information Covenants*) of this Bond Agreement in a Cash Sweep Confirmation Certificate to be delivered to the Bond Trustee, such certificate to be substantially in the form set out in Schedule 2 (*Cash Sweep Confirmation Certificate*) signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a “**Cash Sweep Confirmation Certificate**”). In the event such information is not included in any Cash Sweep Confirmation Certificate, that Cash Sweep Confirmation Certificate shall describe the reasons

therefor as well as the steps which the Issuer has taken and will take in order to be able to provide that information as soon as possible.

- 4.6.6. In connection with the calculation of the Super Senior Step-Up Rate under Clause 4.9.5 (*Application of the Super Senior Step-Up Rate to the Tranche A Bonds PIK Rate*) of this Bond Agreement, the Issuer shall confirm the information required to be delivered to the Bond Trustee pursuant to Clause 4.6.1(q) (*Information Covenants*) of this Bond Agreement in a Super Senior Step-Up Rate Certificate to be delivered to the Bond Trustee, such certificate to be substantially in the form set out in Schedule 6 (*Super Senior Step-Up Rate Certificate*) of this Bond Agreement signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a “**Super Senior Step-Up Rate Certificate**”). In the event such information is not included in any Super Senior Step-Up Rate Certificate or the Super Senior Step-Up Rate Certificate is not delivered on the relevant Interest Payment Date, for the purposes of calculating the Super-Senior Step-Up Rate applicable to the preceding Interest Period, the “Super Senior Bonding Facility Outstanding Amount” shall be deemed to be USD 20,000,000.
- 4.6.7. The Issuer shall provide advance notice to each of the Bond Trustee, the Tranche A Bondholder Representative (if any) and the Tranche B Bondholder Representative (if any) of the time, location and dial-in details (if applicable) of each meeting (whether held in person or by telephone) held under the Ongoing Funding Agreement which any of them is entitled to attend under the terms of the Ongoing Funding Agreement (the “**Funding Meetings**”) so that each of the Bond Trustee, the Tranche A Bondholder Representative (if any) and the Tranche B Bondholder Representative (if any) have sufficient notice to attend the Funding Meetings. In planning any Funding Meetings, the Issuer shall take into account the availability and time zone of each of the Bond Trustee, the Tranche A Bondholder Representative (if any) and the Tranche B Bondholder Representative (if any) who wishes to attend such Funding Meetings, and shall schedule such Funding Meetings accordingly.

#### 4.7. **Registration of Bonds**

- (a) The Bond Issue and the Bonds shall, prior to disbursement, be registered in the CSD according to the Norwegian Securities Depository Act (Act 2002/64) and the terms and conditions of the CSD.
- (b) The Issuer shall continuously ensure the correct registration in the CSD is made in respect of the Bonds and shall notify the CSD of any changes to the terms and conditions of this Bond Agreement. The Bond Trustee shall receive a copy of each such notification. The registration may be executed by the Paying Agent.
- (c) The Bonds have not been registered under the US Securities Act, and the Issuer is under no obligation to arrange for registration of the Bonds under the US Securities Act or elsewhere other than in Norway under the Securities Depository Act (Act 2002/64).

#### 4.8. **Listing**

- (a) The Issuer is under no obligation to list the Bonds on a regulated market or on Oslo Børs ASA’s Alternative Bond Market (“**ABM**”), but shall have the right to list the Bonds if it so desires.
- (b) If the Bonds are listed, the Issuer shall ensure that the Bonds remain listed until they have been discharged in full.

#### 4.9. **Payments in respect of the Bonds**

##### 4.9.1. **Covenant to pay**

- (a) The Issuer shall pay interest on the par value of the Outstanding Bonds from, and including, the Issue Date at the Interest Rate. Interest shall be paid in arrear on each applicable Interest Payment Date.
- (b) The first Tranche A Bonds Interest Payment Date shall be 23 March 2018.

- (c) The first Tranche B Bonds Interest Payment Date shall be 23 March 2018.
- (d) If a Payment Date falls on a day which is not a Business Day, the payment shall be made on the first following Business Day.
- (e) The Issuer undertakes to pay to the Bond Trustee any other amount payable pursuant to the Finance Documents at its due date.
- (f) The Issuer and the Parent may not, and shall each ensure that no Group Company shall, apply or perform any counterclaims or set-off against any payment obligations pursuant to this Bond Agreement or any Finance Document.
- (g) Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to this Bond Agreement and will be made to the Bondholders registered as such in the CSD at the Relevant Record Date for the actual payment.

4.9.2. Interest in the event of late payment of the Tranche A Bonds

- (a) In the event that the Issuer has not fulfilled its payment obligations pursuant to this Bond Agreement in respect of the Tranche A Bonds, regardless of whether an Event of Default has been declared or not, and subject to paragraph (c) below, the amount due shall bear interest from the required payment date at an interest rate equivalent to (but for the avoidance of doubt, not in addition to) the Tranche A Bonds Interest Rate plus five (5) per cent. per annum.
- (b) The interest charged under this Clause 4.9.2 (*Interest in the event of late payment of the Tranche A Bonds*) shall be added to the defaulted amount on each respective Tranche A Bonds Interest Payment Date relating thereto until the defaulted amount (inclusive of such capitalised interest) has been repaid in full.
- (c) In calculating the interest charged on overdue amounts under this Clause 4.9.2 (*Interest in the event of late payment of the Tranche A Bonds*), if any component of the applicable interest rate includes the Tranche A Bonds PIK Rate, then that Tranche A Bonds PIK Rate shall be deemed to be a per annum rate of cash pay interest and not a per annum rate of payment in kind interest, such that all interest on overdue amounts payable under this Clause 4.9.2 shall be cash pay interest.

4.9.3. Interest in the event of late payment of the Tranche B Bonds

- (a) In the event that the Issuer has not fulfilled its payment obligations pursuant to this Bond Agreement in respect of the Tranche B Bonds, regardless of whether an Event of Default has been declared or not, and subject to paragraph (c) below, the amount due shall bear interest from the Payment Date at an interest rate equivalent to (but for the avoidance of doubt, not in addition to) the Tranche B Bonds Interest Rate plus five (5) per cent. per annum.
- (b) The interest charged under this Clause 4.9.3 (*Interest in the event of late payment of the Tranche B Bonds*) shall be added to the defaulted amount on each respective Tranche B Bonds Interest Payment Date relating thereto until the defaulted amount (inclusive of such capitalised interest) has been repaid in full.
- (c) In calculating the interest charged on overdue amounts under this Clause 4.9.3 (*Interest in the event of late payment of the Tranche B Bonds*), if any component of the applicable interest rate includes the Tranche B Bonds PIK Rate, then that Tranche B Bonds PIK Rate shall be deemed to be a per annum rate of cash pay interest and not a per annum rate of payment in kind interest, such that all interest payable on overdue amounts under this Clause 4.9.3 shall be cash pay interest.

4.9.4. Interest Rate calculation and fixing

- (a) Each Outstanding Bond will accrue interest at the applicable Interest Rate for each Interest Period.
- (b) The Interest Rate shall be calculated based on the Day Count Convention.
- (c) The amount of interest payable per Bond for a relevant calculation period shall be calculated as follows:

$$\begin{array}{ccccccc} \text{Interest} & = & \text{Nominal} & \times & \text{Interest} & \times & \text{Day Count} \\ \text{Amount} & & \text{Amount} & & \text{Rate} & & \text{Convention} \end{array}$$

- (d) Subject to paragraph (e) below, on the date falling seven (7) days prior to each Interest Payment Date, the Issuer shall, unless the Bond Trustee explicitly waives such requirement or a particular rate applies by default, notify the Paying Agent (with a copy to the Bond Trustee) of the selected Tranche B Bonds Interest Rate that shall apply in respect of the Interest Period commencing on the next following Interest Payment Date in accordance with this Clause 4.9.4 (*Interest Rate calculation and fixing*). Such notification shall be undertaken in a Tranche B Bonds Interest Rate Election Certificate to be delivered to the Paying Agent (with a copy to the Bond Trustee), such certificate to be substantially in the form set out in Schedule 7 (*Tranche B Bonds Interest Rate Election Certificate*) signed by the Chief Executive Officer or Chief Financial Officer of the Issuer.
- (e) Within 15 Business Days of the Issue Date, the Issuer shall notify the Paying Agent (with a copy to the Bond Trustee) of the Tranche B Bonds Interest Rate that shall apply to the first Interest Period. Such notification shall be undertaken in a Tranche B Bonds Interest Rate Election Certificate to be delivered to the Paying Agent (with a copy to the Bond Trustee), such certificate to be substantially in the form set out in Schedule 7 (*Tranche B Bonds Interest Rate Election Certificate*) signed by the Chief Executive Officer or Chief Financial Officer of the Issuer.

#### 4.9.5. Application of the Super Senior Step-Up Rate to the Tranche A Bonds PIK Rate

- (a) For so long as the Tranche A Bonds are outstanding, on each Interest Payment Date, if any Credit Facility Provider has had any amount outstanding to it (actually or contingently) under a Super Senior Bonding Facility to any Group Company during the preceding Interest Period, the Issuer shall calculate the Super Senior Step-Up Rate which shall be applied to that preceding Interest Period.
- (b) If the Super Senior Step-Up Rate with respect to any Interest Period is greater than zero (0), the Tranche A Bonds PIK Rate in respect of that Interest Period shall be automatically increased by a percentage rate per annum equal to the Super Senior Step-Up Rate.

#### 4.9.6. Exercise of Call

- (a) Notwithstanding the terms of Clauses 4.9.11(a) (*Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium*) and 4.9.12 (*Maturity of the Tranche B Bonds and redemption*) of this Bond Agreement, the Issuer may redeem the Bonds in whole or in part whether by one transaction or separate transactions and whether at any one time or over a period of times in accordance with the provisions set out in Clause 1.1 (in respect of the *Tranche A Bonds*) and Clause 1.2 (in respect of the *Tranche B Bonds*) of this Bond Agreement and at the relevant Call Price.
- (b) Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten (10) Business Days prior to the relevant Call Date.
- (c) Partial exercise of Call shall be carried out (i) first, in redemption of the Tranche A Bonds, (ii) then, after the redemption of all Tranche A Bonds, in redemption of the Tranche B Bonds (in each case according to the procedures in the CSD).
- (d) Any exercise of a Call in respect of the Tranche A Bonds shall be funded:

- (i) if, on the Call Date, the Liquidity of the Group is equal to or more than USD 20,000,000 (as certified by the Issuer in writing to the Bond Trustee on the Call Date):
  - (A) first, from any amount standing to the credit of the Blocked Cash Account pursuant to Clause 4.9.15 (a) (*Blocked Cash Account*) of this Bond Agreement; and
  - (B) thereafter, and to the extent required, from cash held by the Group; and
- (ii) if, on the Call Date, the Liquidity of the Group is less than USD 20,000,000, from cash held by the Group.

**4.9.7. Mandatory Prepayment**

Upon a Mandatory Prepayment Event occurring, the Issuer shall no later than five (5) Business Days following receipt of the proceeds pursuant to the relevant Mandatory Prepayment Event, apply such proceeds (net, in the case of any disposal of assets, of the costs incurred by the seller in connection with such disposal) in the order of application contemplated by Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement at the Call Price applicable at the time to the Outstanding Bonds being redeemed.

**4.9.8. Total Loss Event**

Upon a Total Loss Event occurring, the Issuer shall promptly, once insurance proceeds are available to it and, in any event, no later than ninety (90) days following receipt of the proceeds pursuant to Total Loss Event, apply all of such proceeds in the order of application contemplated by Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement at the Call Price applicable at the time to the Outstanding Bonds being redeemed.

**4.9.9. Change of Control**

- (a) Upon the occurrence of a Change of Control Event:
  - (i) each Tranche A Bondholder shall have the right to require that the Issuer redeems its Bonds (a **"Tranche A Bonds Put Option"**) at the Tranche A Bonds Redemption Price (as defined in Clause 1.1 (*Tranche A Bonds*) of this Bond Agreement) (together with all interest which has accrued on its Tranche A Bonds being redeemed at the Tranche A Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on its Tranche A Bonds being redeemed at the Tranche A Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche A Bonds); and
  - (ii) each Tranche B Bondholder shall have the right to require that the Issuer redeems its Bonds (a **"Tranche B Bonds Put Option"**) at a price of 101 per cent. of the Nominal Amount (together with all interest which has accrued on its Tranche B Bonds being redeemed at the Tranche B Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on its Tranche B Bonds being redeemed at the Tranche B Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche B Bonds).
- (b) The Tranche A Bonds Put Option or the Tranche B Bonds Put Option may only be exercised within sixty (60) days after the Issuer has delivered notification to the Bond Trustee of a Change of Control Event. Such notification by the Issuer shall be given as soon as possible after a Change of Control Event has taken place and shall be given to all Bondholders at the same time.
- (c) The Tranche A Bonds Put Option or the Tranche B Bonds Put Option may be exercised by each of the Tranche A Bondholders and the Tranche B Bondholders, respectively, by giving written notice of the exercise of that right to its Account Manager. The Account Manager shall notify the Paying Agent of the redemption requirement. The settlement date of the

Tranche A Bonds Put Option and/or the Tranche B Bonds Put Option (as the case may be) shall be the third Business Day after the end of the sixty (60) days exercise period of the Tranche A Bonds Put Option and/or the Tranche B Bonds Put Option (as the case may be).

- (d) On the settlement date of the Tranche A Bonds Put Option, the Issuer shall pay to each of the Tranche A Bondholders exercising its Tranche A Bonds Put Option, the Tranche A Bonds Redemption Price (as defined in Clause 1.1 (*Tranche A Bonds*) of this Bond Agreement) (together with all interest which has accrued on its Tranche A Bonds being redeemed at the Tranche A Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on its Tranche A Bonds being redeemed at the Tranche A Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche A Bonds).
- (e) On the settlement date of the Tranche B Bonds Put Option, the Issuer shall pay to each of the Tranche B Bondholders exercising its Tranche B Bonds Put Option, an amount equal to 101 per cent. of the Nominal Amount of those Tranche B Bonds (together with all interest which has accrued on its Tranche B Bonds being redeemed at the Tranche B Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on its Tranche B Bonds being redeemed at the Tranche B Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche B Bonds).

4.9.10. Cash sweep

- (a) On the date falling seven (7) days prior to an Interest Payment Date falling on or after 23 September 2018 (each such date a “**Cash Sweep Test Date**”), the Issuer shall calculate the Adjusted Liquidity Amount and the Cash Sweep Amount (if any). Subject to this Clause 4.9.10 (*Cash sweep*), on each Interest Payment Date occurring on or after 23 September 2018, the Issuer or, if and to the extent that the Cash Sweep Amount is being paid from the Blocked Cash Account pursuant to Clause 4.9.10(b) below, the Bond Trustee shall pay any Cash Sweep Amount to the Paying Agent which shall apply that Cash Sweep Amount in redemption of the Outstanding Bonds in the order of application contemplated by Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement at the Redemption Price applicable at the time to the Outstanding Bonds being redeemed.
- (b) Any Cash Sweep Amount to be used in redemption of the Tranche A Outstanding Bonds in accordance with Clause 4.9.13 (b)(iii) (*Priority of Payments*) of this Bond Agreement shall be funded in the following order:
  - (i) first, from the Blocked Cash pursuant to Clause 4.9.15(a) (*Blocked Cash*) until the balance of the Blocked Cash Account is zero (0); and
  - (ii) thereafter, from cash held by the Group.

4.9.11. Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium

- (a) On the Tranche A Bonds Maturity Date, the Tranche A Bonds shall be repaid by the Issuer at the Tranche A Bonds Redemption Price (as defined in Clause 1.1 (*Tranche A Bonds*) of this Bond Agreement) (together with all interest which has accrued on the Tranche A Bonds being redeemed at the Tranche A Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on the Tranche A Bonds being redeemed at the Tranche A Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche A Bonds). For these purposes, redemption of the Tranche A Bonds shall be funded by:
  - (i) first, any amount standing to the credit of the Blocked Cash Account pursuant to Clause 4.9.15 (a) (*Blocked Cash Account*) of this Bond Agreement; and
  - (ii) thereafter, and to the extent required, from cash held by the Group.

- (b) On the day that the last Tranche A Outstanding Bonds are redeemed in full (whether as a result of the occurrence of the Tranche A Bonds Maturity Date, a Mandatory Prepayment Event, a Tranche A Bonds Call, or otherwise) (the “**Tranche A Bonds Final Redemption**”) (the “**Tranche A Bonds Final Redemption Date**”), if the aggregate amount paid (in USD) (including principal, interest and fees) by or on behalf of the Issuer to the Tranche A1 Bondholders (solely in their capacity as Tranche A1 Bondholders) in respect of the Tranche A1 Bonds during the period from and including the Tranche A Bonds Issue Date to and including the Tranche A Bonds Final Redemption Date is less than an amount equal to one hundred and twenty (120) per cent. of the Tranche A1 Bondholders Investment Amount (such amount expressed in USD), then the Issuer shall, on the Tranche A Bonds Final Redemption Date, pay an amount equal to the difference between those two amounts in USD to the Tranche A1 Bondholders on a pro rata basis (by reference to the nominal amount, in aggregate, of the Tranche A1 Outstanding Bonds that were held by each Tranche A1 Bondholder immediately prior to the Tranche A Bonds Final Redemption).
- (c) On the Tranche A Bonds Final Redemption Date, if the aggregate amount paid (in USD) (including principal, interest and fees) by or on behalf of the Issuer to the Tranche A2 Bondholders (solely in their capacity as Tranche A2 Bondholders) in respect of the Tranche A2 Bonds during the period from and including the Tranche A Bonds Issue Date to and including the Tranche A Bonds Final Redemption Date is less than an amount equal to one hundred and twenty (120) per cent. of the Tranche A2 Bondholders Investment Amount (such amount expressed in USD), then the Issuer shall, on the Tranche A Bonds Final Redemption Date, pay an amount equal to the difference between those two amounts in USD to the Tranche A2 Bondholders on a pro rata basis (by reference to the nominal amount, in aggregate, of the Tranche A2 Outstanding Bonds that were held by each Tranche A2 Bondholder immediately prior to the Tranche A Bonds Final Redemption).

#### 4.9.12. Maturity of the Tranche B Bonds and redemption

On the Tranche B Bonds Maturity Date, the Tranche B Bonds shall be repaid by the Issuer at the Tranche B Bonds Redemption Price (as defined in Clause 1.2 (*Tranche B Bonds*) of this Bond Agreement) (together with all interest which has accrued on the Tranche B Bonds being redeemed at the Tranche B Bonds Interest Rate and which is unpaid together with, without double counting, all interest which has accrued on the Tranche B Bonds being redeemed at the Tranche B Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche B Bonds).

#### 4.9.13. Priority of Payments

Subject to Clause 4.9.14 (*Intercreditor Agreement*) of this Bond Agreement:

- (a) all cash proceeds to be distributed by the Issuer, the Bond Trustee or the Paying Agent pursuant to Clause 4.9.7 (*Mandatory Prepayment*), Clause 4.9.8 (*Total Loss Event*) or Clause 4.9.10 (*Cash sweep*) (including but not limited to the proceeds from Mandatory Prepayment Event or the Cash Sweep Amount but not including payments of interest on an Interest Payment Date) of this Bond Agreement; and
- (b) if the Bond Trustee or the Paying Agent receives an amount that is insufficient to discharge all the amounts then due and payable under this Bond Agreement and the other Finance Documents, then that amount:
  - shall, in each case, be applied in the following order of priority:
  - (i) first, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the costs, fees, expenses and any other amounts (including by way of indemnities) to:
    - (A) the Bond Trustee under any Finance Document; and
    - (B) the Security Agent;



- (ii) second, in or towards satisfaction of all accrued but unpaid interest on the Tranche A Outstanding Bonds, together with, without double counting, all interest which has accrued on the Tranche A Outstanding Bonds at the Tranche A Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche A Bonds (including, without limitation, any such interest accruing on or subsequent to any Insolvency Event occurring with respect to any Obligor at the rate provided in this Bond Agreement, whether or not such interest is an allowed claim under applicable law or regulation), on a *pro rata* basis across all Tranche A Outstanding Bonds without any preference or priority of any kind;
- (iii) third, in the redemption of the Tranche A Bonds, on a *pro rata* basis across all Tranche A Outstanding Bonds without any preference or priority of any kind, provided that such redemption shall be made (A) where the Tranche A Bonds are redeemed (I) as a result of the exercise of a Call in accordance with Clause 4.9.6, (II) as a result of a Mandatory Prepayment in accordance with Clause 4.9.7, or (III) upon the occurrence of a Total Loss Event in accordance with Clause 4.9.8, at the applicable Call Price, and (B) where the Tranche A Bonds are being redeemed in all other circumstances, at the Redemption Price (as defined in Clause 1.1 (*Tranche A Bonds*) of this Bond Agreement);
- (iv) fourth, in or towards satisfaction of all accrued but unpaid interest on the Tranche B Outstanding Bonds, together with, without double counting, all interest which has accrued on the Tranche B Outstanding Bonds at the Tranche B Bonds PIK Rate and has not been paid in kind by the issuance of additional Tranche B Bonds (including, without limitation, any such interest accruing on or subsequent to any Insolvency Event occurring with respect to any Obligor at the rate provided in this Bond Agreement, whether or not such interest is an allowed claim under applicable law or regulation), on a *pro rata* basis across all Tranche B Outstanding Bonds without any preference or priority of any kind;
- (v) fifth, in the redemption of the Tranche B Bonds, on a *pro rata* basis across all Tranche B Outstanding Bonds without any preference or priority of any kind, provided that such redemption shall be made (A) where the Tranche B Bonds are redeemed (I) as a result of the exercise of a Call in accordance with Clause 4.9.6, (II) as a result of a Mandatory Prepayment in accordance with Clause 4.9.7, or (III) upon the occurrence of a Total Loss Event in accordance with Clause 4.9.8, at the applicable Call Price, and (B) where the Tranche B Bonds are redeemed in all other circumstances, at the Redemption Price (as defined in Clause 1.2 (*Tranche B Bonds*) of this Bond Agreement);
- (vi) sixth, in or towards satisfaction of all other amounts payable under the Finance Documents; and
- (vii) seventh, any surplus shall be available to each Group Company entitled thereto to deal with as it sees fit.

4.9.14. Intercreditor Agreement

- (a) The Bond Trustee is authorised at any time after the Issue Date to enter into an Intercreditor Agreement which complies in all material respects with the Intercreditor Principles or, subject to Clause 4.9.14(b) below, has otherwise been approved by a simple majority of Bondholders, provided that concurrently with the execution of that Intercreditor Agreement a Credit Facility is also entered into by one or more Group Companies.
- (b) A simple majority of the Tranche A Bondholders shall be entitled to approve any term of the Intercreditor Agreement which does not comply in any material respect with the Intercreditor Principles in the event only that such non-compliance affects the rights and/or obligations of the Tranche A Bondholders only.

- (c) If the Bond Trustee and the Issuer have at any time entered into an Intercreditor Agreement with, amongst others, a Credit Facility Provider, in the event of there being any conflict between Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail.

**4.9.15. Blocked Cash Account**

- (a) The Bond Trustee shall be authorised to apply any monies standing to the credit of the Blocked Cash Account in redemption of the Tranche A Outstanding Bonds in accordance with:
  - (i) Clause 4.9.10 (*Cash sweep*) on the relevant Interest Payment Date;
  - (ii) Clause 4.9.11 (*Maturity of the Tranche A Bonds, redemption and Tranche A Bonds Prepayment Premium*) on the Tranche A Bonds Maturity Date; and
  - (iii) Clause 4.9.6 (*Exercise of Call*) on the applicable Call Date,until, in each case, all obligations of the Issuer in respect of the Tranche A Bonds are repaid and discharged in full.
- (b) Any release of monies standing to the credit of the Blocked Cash Account in circumstances other than those described in Clause 4.9.15 (a) (*Blocked Cash Account*) above shall require the consent of a Bondholder Meeting of the Tranche A Bondholders.

**4.10. No amendments to the Ongoing Funding Agreement and Management Services Agreement**

The Issuer shall not amend, or request (or agree to) any waiver of, any provision of the Ongoing Funding Agreement and/or the Management Services Agreement without the prior written consent of the Bond Trustee other than an amendment or waiver which:

- (a) is made solely for the purpose of rectifying obvious errors and mistakes; or
- (b) is required by applicable law, a court ruling or a decision by a relevant authority.

**4.11. Parent covenant**

The Parent shall procure that the Issuer complies with each of its obligations arising under this Bond Agreement within each applicable timeframe stipulated by this Bond Agreement.

**5. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

**5.1. Events of Default**

Each of the events or circumstances set out in this Clause 5.1 (*Events of Default*) shall constitute an Event of Default:

- 5.1.1. *Non-payment*: The Issuer fails to fulfil any payment obligation due under this Bond Agreement or any other Finance Document when due, unless, in the opinion of the Bond Trustee, it is likely that such payment will be made in full within five (5) Business Days following the original due date.
- 5.1.2. *Failure to deliver Cash Flow Forecast*: The Issuer or the Parent does not comply with Clause 4.4.1(b) (*Minimum Liquidity*), unless such failure is remedied within three (3) Business Days after notice thereof is given to the Issuer by the Bond Trustee.
- 5.1.3. *Breach of other obligations*: Any Obligor does not comply with any provision pursuant to this Bond Agreement or any other Finance Document, unless, in the opinion of the Bond Trustee, such failure is capable of being remedied and is remedied within ten (10) Business Days after notice thereof is given to the Issuer by the Bond Trustee.
- 5.1.4. *Cross default*: If, with respect to, any Group Company:
  - (a) any Financial Indebtedness is not paid when due nor within any originally applicable grace period;

- (b) 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);
- (c) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (d) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided always that a minimum threshold in the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above of a total of USD 5,000,000 (five million), or the equivalent thereof in other currencies, shall apply.

5.1.5. *Misrepresentation:* Any representation, warranty or statement (including statements in compliance certificates) made under this Bond Agreement or any other Finance Document or in connection herewith or therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made unless the underlying cause of such misrepresentation, warranty or statement is capable of remedy and is remedied within twenty (20) Business Days after the Issuer becomes aware of the occurrence of the event or situation giving rise to such breach.

5.1.6. *Insolvency:*

- (a) A Group Company 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.
- (b) The value of the assets of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared by a competent court in respect of any indebtedness of any Group Company.

5.1.7. *Insolvency proceedings and dissolution:* If, with respect to, any Group Company, any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation;
- (b) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Issuer's ability to perform its payment obligations hereunder;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (d) its dissolution other than as a part of a solvent reorganisation following a sale of a Vessel, subject in the case of a solvent reorganisation, to the Bond Trustee being provided with no less favourable (and acceptable to the Bond Trustee) Security as was provided at the Issue Date,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 5.1.7 (*Insolvency proceedings and dissolution*) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within ten (10) Business Days of such event occurring.

5.1.8. *Creditors' process:* Any Obligor has a substantial proportion of its assets, or any other Group Company has a substantial proportion of the Group's assets, impounded, confiscated, attached or subject to distraint, or is subject to enforcement of any Security over any of its assets and such

process is not stopped or lifted by the provision of security to such creditor within fourteen (14) days.

- 5.1.9. *Impossibility or illegality*: It is or becomes impossible or unlawful for any Obligor to fulfil or perform any of the terms of any Finance Document to which it is a party.
- 5.1.10. *Material Adverse Change*: Any other event or circumstance occurs which, in the reasonable opinion of the Bond Trustee, after consultation with the Issuer, would have a Material Adverse Effect.
- 5.1.11. *Breach of Rights under the Ongoing Funding Agreement*: Any rights under the Ongoing Funding Agreement of the Bond Trustee or of any Tranche A Bondholder Representative or Tranche B Bondholder Representative appointed from time to time are breached as a result of an action or inaction of the Issuer and/or the Parent, unless, in the opinion of the Bond Trustee, such breach is capable of being remedied and is remedied within three (3) Business Days of the Issuer and/or the Parent becoming aware of such a breach.
- 5.1.12. *Failure to Terminate the Ongoing Funding Agreement*: The Issuer fails to serve a notice under clause 2.2 (*Cancellation of the Facility Limit*) of the Ongoing Funding Agreement by providing one months' prior notice cancelling its commitments in full in relation to the facility made available by it under the Ongoing Funding Agreement within three (3) Business Days of receipt of an Ongoing Funding Agreement Termination Notice.

## **5.2. Notification of Event of Default**

### **5.2.1. Notification of the occurrence of an Event of Default**

If the Issuer or any Group Company becomes aware of the occurrence of an Event of Default, the Issuer shall forthwith notify the Bond Trustee in writing and the Bond Trustee shall promptly thereafter notify the Bondholders.

## **5.3. Acceleration and Enforcement Action**

- (a) In the event that one or more of the circumstances mentioned in Clause 5.1 (*Events of Default*) of this Bond Agreement occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare the Outstanding Bonds including accrued interest, costs and expenses to be in default and due for immediate payment.
- (b) The Bond Trustee may at its discretion, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under this Bond Agreement and any other Finance Document including taking, or instructing the Security Agent to take, any Enforcement Action.
- (c) For the avoidance of doubt, where there is an Intercreditor Agreement in place, the provisions of this Clause 5.3 (*Acceleration and Enforcement Action*) shall be suspended, and the relevant enforcement provisions of that Intercreditor Agreement shall apply in respect of the Bonds until such time as that Intercreditor Agreement has been terminated.

### **5.3.1. Acceleration instructions**

In addition to the circumstances mentioned in paragraphs 5.3(a) and (b) above, the Bond Trustee shall declare the Outstanding Bonds including all accrued cash pay and PIK interest on the Outstanding Bonds, costs and expenses and all other amounts outstanding under the Finance Documents, to be in default and due for immediate payment if:

- (a) during the Tranche B Bondholders Enforcement Period:
  - (i) the Bond Trustee receives a demand in writing that a default shall be declared from Tranche B Bondholders representing at least 1/5 of the Tranche B Voting Bonds, and a Bondholders' Meeting of the Tranche B Voting Bonds has not made a resolution to the contrary; or

- (ii) a Bondholders' Meeting of the Tranche B Bonds has so decided, provided that at least a simple majority of the represented Tranche B Voting Bonds voted in favour of the foregoing,  
(each of (i) and (ii) above will constitute a **"Tranche B Bondholders Acceleration Instruction"**);
- (b) at any time following the Tranche B Bondholders Enforcement Period but prior to the end of a Bondholders Enforcement Period:
  - (i) the Bond Trustee receives a demand in writing that a default shall be declared from Bondholders representing at least 1/5 of the Voting Bonds, and a Bondholders' Meeting of the Voting Bonds has not made a resolution to the contrary; or
  - (ii) a Bondholders' Meeting of the Bonds has so decided, provided that at least a simple majority of the represented Voting Bonds voted in favour of the foregoing;  
(each of (i) and (ii) above will constitute a **"Bondholders Acceleration Instruction"**); and
- (c) at any time following the Bondholders Enforcement Period and at all times thereafter:
  - (i) the Bond Trustee receives a demand in writing that a default shall be declared from Tranche A Bondholders representing at least 1/5 of the Tranche A Voting Bonds, and a Bondholders' Meeting of the Tranche A Voting Bonds has not made a resolution to the contrary; or
  - (ii) a Bondholders' Meeting of the Tranche A Bonds has so decided, provided that at least a simple majority of the represented Tranche A Voting Bonds voted in favour of the foregoing,  
(each of (i) and (ii) above will constitute a **"Tranche A Bondholders Acceleration Instruction"**).

5.3.2. Enforcement instructions

The Bond Trustee shall take, or instruct the Security Agent to take any Enforcement Action if:

- (a) during the Tranche B Bondholders Enforcement Period:
  - (i) the Bond Trustee receives a demand in writing from Tranche B Bondholders representing a simple majority of the Tranche B Voting Bonds to take Enforcement Action, and a Bondholders' Meeting of the Tranche B Voting Bonds has not made a resolution to the contrary; or
  - (ii) a Bondholders' Meeting of the Tranche B Bonds has so decided, provided that at least a simple majority of the represented Tranche B Voting Bonds voted in favour of the foregoing,  
(each of (i) and (ii) above will constitute a **"Tranche B Bondholders Enforcement Instruction"**); or
- (b) at any time following the Tranche B Bondholders Enforcement Period but prior to the end of a Bondholders Enforcement Period:
  - (i) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds to take Enforcement Action, and a Bondholders' Meeting of the Voting Bonds has not made a resolution to the contrary; or
  - (ii) a Bondholders' Meeting of the Bonds has so decided, provided that at least a simple majority of the represented Voting Bonds voted in favour of the foregoing,  
(and such demand will constitute a **"Bondholders Enforcement Instruction"**); or
- (c) at any time following the Bondholders Enforcement Period and at all times thereafter:

- (i) the Bond Trustee receives a demand in writing from Tranche A Bondholders representing a simple majority of the Tranche A Voting Bonds to take Enforcement Action, and a Bondholders' Meeting of the Tranche A Voting Bonds has not made a resolution to the contrary; or
- (ii) a Bondholders' Meeting of the Tranche A Bonds has so decided, provided that at least a simple majority of the represented Tranche A Voting Bonds voted in favour of the foregoing,

(and such demand will constitute a "**Tranche A Bondholders Enforcement Instruction**").

5.3.3. Enforcement periods

- (a) During the Tranche B Bondholders Enforcement Period:
  - (i) the Tranche B Bondholders shall be entitled to provide a Tranche B Bondholders Acceleration Instruction and/or Tranche B Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall be required to act in accordance with any such Tranche B Bondholders Acceleration Instruction and Tranche B Bondholders Enforcement Instruction;
  - (ii) the Tranche A Bondholders shall not be entitled to provide a Tranche A Bondholders Acceleration Instruction or Tranche A Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall not be required to act in accordance with any such Tranche A Bondholders Acceleration Instruction or Tranche A Bondholders Enforcement Instruction which is so delivered during the Tranche B Bondholders Enforcement Period; and
  - (iii) prior to providing any Tranche B Bondholders Enforcement Instruction, the Tranche B Bondholders must consult in good faith with the Tranche A Bondholders for a period of no fewer than three (3) Business Days in respect of any instructions that the Tranche B Bondholders are contemplating providing to the Bond Trustee with respect to Enforcement Action.
- (b) During the period commencing at the end of the Tranche B Bondholders Enforcement Period and ending at the end of the Bondholders Enforcement Period:
  - (i) subject to Clause 5.3.3(c) (*Enforcement periods*) of this Bond Agreement, the Bondholders shall be entitled to provide a Bondholders Acceleration Instruction and/or Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall be required to act in accordance with any such Bondholders Acceleration Instruction and Bondholders Enforcement Instruction;
  - (ii) the Tranche A Bondholders shall not be entitled to provide a Tranche A Bondholders Acceleration Instruction or Tranche A Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall not be required to act in accordance with any such Tranche A Bondholders Acceleration Instruction or Tranche A Bondholders Enforcement Instruction which is so delivered during the Bondholders Enforcement Period; and
  - (iii) the Tranche B Bondholders shall not be entitled to provide a Tranche B Bondholders Acceleration Instruction or Tranche B Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall not be required to act in accordance with any such Tranche B Bondholders Acceleration Instruction or Tranche B Bondholders Enforcement Instruction which is so delivered during the Bondholders Enforcement Period.
- (c) If the Bond Trustee and/or the Security Agent have commenced any Enforcement Action pursuant to a Tranche B Bondholders Enforcement Instruction, no Bondholders Enforcement Instruction may be given during the Bondholders Enforcement Period which

contradicts or otherwise adversely affects any such Tranche B Bondholders Enforcement Instruction in any material respect.

- (d) Upon the expiry of the Bondholders Enforcement Period and at all times thereafter:
  - (i) the Tranche A Bondholders shall be entitled to provide a Tranche A Bondholders Acceleration Instruction and/or Tranche A Bondholders Enforcement Instruction to the Bond Trustee and the Bond Trustee shall be required to act in accordance with any such Tranche A Bondholders Acceleration Instruction and Tranche A Bondholders Enforcement Instruction (irrespective of whether such Tranche A Bondholders Acceleration Instruction and Tranche A Bondholders Enforcement Instruction contradicts or otherwise adversely affects any new or existing Tranche B Bondholders Acceleration Instruction, Bondholders Acceleration Instruction, Tranche B Bondholders Enforcement Instruction or Bondholders Enforcement Instruction in any material respect);
  - (ii) the Tranche B Bondholders shall not be entitled to provide a Tranche B Bondholders Acceleration Instruction or Tranche B Bondholders Enforcement Instruction to the Bond Trustee (but if given, shall be disregarded by the Bond Trustee); and
  - (iii) the Bondholders shall not be entitled to provide a Bondholders Acceleration Instruction or Bondholders Enforcement Instruction to the Bond Trustee (but if given, shall be disregarded by the Bond Trustee).
- (e) In the event that the Bond Trustee pursuant to Clause 5.3(a) or (b) (*Acceleration and Enforcement Action*) or 5.3.1 (*Acceleration and Enforcement Action*) of this Bond Agreement declares the Outstanding Bonds to be in default and due for payment, the Bond Trustee shall immediately deliver to the Issuer a notice demanding payment of interest and principal due to the Bondholders under the Finance Documents including accrued interest and interest on overdue amounts and expenses. The claim derived from the Outstanding Bonds due for payment as a result of an Event of Default shall be calculated at the prices set out in Clause 4.9.6 (*Exercise of Call*) of this Bond Agreement.

## **6. THE BONDHOLDERS**

### **6.1. Bond Agreement binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by this Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.
- (b) This Bond 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 all the Bondholders.

### **6.2. Limitation of rights of action**

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

The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

**6.3. Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain, and provide to the Bond Trustee, proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6.3 (*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.

**7. BONDHOLDERS' DECISIONS**

**7.1. Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter this Bond Agreement, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain actions as set out in Clause 8.1 (*Power to represent the Bondholders*) of this Bond Agreement, if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below and subject to Clauses 7.2 (*Tranche A Bondholders' Entrenched Right Matters*), 7.3 (*Tranche A1 Bondholders' Entrenched Right Matters*), 7.4 (*Tranche A2 Bondholders' Entrenched Right Matters*) and 7.5 (*Tranche B Bondholders' Entrenched Right Matters*) of this Bond Agreement and the Security Trust Deed.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 9.1.2 (a) and (b) (*Issuer Amendment*) of this Bond Agreement, and subject to Clauses 7.2 (*Tranche A Bondholders' Entrenched Right Matters*), 7.3 (*Tranche A1 Bondholders' Entrenched Right Matters*), 7.4 (*Tranche A2 Bondholders' Entrenched Right Matters*) and 7.5 (*Tranche B Bondholders' Entrenched Right Matters*) of this Bond Agreement, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provision of this Bond Agreement, including a change of Issuer and change of Bond Trustee.
- (g) Where a provision of this Bond Agreement specifies that a matter may be resolved by holders of Bonds within a particular Tranche by way of a Bondholder Meeting, a resolution passed with the relevant majority of that Tranche at a Bondholder Meeting is as valid as if it had been passed by Bondholders of all Tranches in a Bondholders' Meeting and any



reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

**7.2. Tranche A Bondholders' Entrenched Right Matters**

Notwithstanding any other provision in this Bond Agreement and until such time as the Tranche A Bonds are redeemed in full, no proposed modification to be made, consent to be given or waiver to be granted in respect of this Bond Agreement or any other Finance Document which constitutes a Tranche A Bondholders' Entrenched Right Matter shall be effective, and the Bond Trustee shall not concur with the Issuer in making any modification to, giving any consent under or granting any waiver in respect of any breach or proposed breach of this Bond Agreement or any Finance Document which constitutes a Tranche A Bondholders' Entrenched Right Matter unless and until at least 2/3 of the Tranche A Voting Bonds have approved the modification, consent or waiver at a Bondholders' Meeting of Tranche A Bonds in accordance with the voting provisions set out in this Bond Agreement (a "**Tranche A Bondholders' Entrenched Right Matter Resolution**"). For the avoidance of doubt, if a Tranche A Bondholders' Entrenched Right Matter Resolution is passed, the Bond Trustee shall concur with the Issuer in making the modification, giving the consent, or granting the waiver, which is the subject of that Tranche A Bondholders' Entrenched Right Matter Resolution provided that a Bondholders' Meeting has passed equivalent resolutions.

**7.3. Tranche A1 Bondholders' Entrenched Right Matters**

Notwithstanding any other provision in this Bond Agreement and until such time as the Tranche A1 Bonds are redeemed in full, no proposed modification to be made, consent to be given or waiver to be granted in respect of this Bond Agreement or any other Finance Document which constitutes a Tranche A1 Bondholders' Entrenched Right Matter shall be effective, and the Bond Trustee shall not concur with the Issuer in making any modification to, giving any consent under or granting any waiver in respect of any breach or proposed breach of this Bond Agreement or any Finance Document which constitutes a Tranche A1 Bondholders' Entrenched Right Matter unless and until at least 2/3 of the Tranche A1 Voting Bonds have approved the modification, consent or waiver at a Bondholders Meeting of Tranche A1 Bonds in accordance with the voting provisions set out in this Bond Agreement (a "**Tranche A1 Bondholders' Entrenched Right Matter Resolution**"). For the avoidance of doubt, if a Tranche A1 Bondholders' Entrenched Right Matter Resolution is passed, the Bond Trustee shall concur with the Issuer in making the modification, giving the consent, or granting the waiver, which is the subject of that Tranche A1 Bondholders' Entrenched Right Matter Resolution provided that a Bondholders' Meeting has passed equivalent resolutions.

**7.4. Tranche A2 Bondholders' Entrenched Right Matters**

Notwithstanding any other provision in this Bond Agreement and until such time as the Tranche A2 Bonds are redeemed in full, no proposed modification to be made, consent to be given or waiver to be granted in respect of this Bond Agreement or any other Finance Document constitutes a Tranche A2 Bondholders' Entrenched Right Matter shall be effective, and the Bond Trustee shall not concur with the Issuer in making any modification to, giving any consent under or granting any waiver in respect of any breach or proposed breach of this Bond Agreement or any Finance Document which constitutes a Tranche A2 Bondholders' Entrenched Right Matter unless and until at least 2/3 of the Tranche A2 Voting Bonds have approved the modification, consent or waiver at a Bondholders' Meeting of Tranche A2 Bonds in accordance with the voting provisions set out in this Bond Agreement (a "**Tranche A2 Bondholders' Entrenched Right Matter Resolution**"). For the avoidance of doubt, if a Tranche A2 Bondholders' Entrenched Right Matter Resolution is passed, the Bond Trustee shall concur with the Issuer in making the modification, giving the consent, or granting the waiver, which is the subject of that Tranche A2 Bondholders' Entrenched Right Matter Resolution provided that a Bondholders' Meeting has passed equivalent resolutions.

**7.5. Tranche B Bondholders' Entrenched Right Matters**

Notwithstanding any other provision in this Bond Agreement and until such time as the Tranche B Bonds are redeemed in full, no proposed modification to be made, consent to be given or waiver to be granted in respect of this Bond Agreement or any other Finance Document which constitutes a Tranche B Bondholders' Entrenched Right Matter shall be effective, and the Bond Trustee shall not concur with the Issuer in making any modification to, giving any consent under or granting any waiver in respect of any breach or proposed breach of this Bond Agreement or any Finance Document which constitutes a Tranche B Bondholders' Entrenched Right Matter unless and until at least 2/3 of the Tranche B Voting Bonds have approved the modification, consent or waiver at a Bondholders' Meeting of Tranche B Bonds in accordance with the voting provisions set out in this Bond Agreement (a "**Tranche B Bondholders' Entrenched Right Matter Resolution**"). For the avoidance of doubt, if a Tranche B Bondholders' Entrenched Right Matter Resolution is passed, the Bond Trustee shall concur with the Issuer in making the modification, giving the consent, or granting the waiver, which is the subject of that Tranche B Bondholders' Entrenched Right Matter Resolution provided that a Bondholders' Meeting has passed equivalent resolutions.

**7.6. Procedure for arranging a Bondholders' Meeting**

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

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to this Bond Agreement, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) The Bond Trustee may restrict the Issuer from making any changes in the number of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting, by serving notice to it to such effect.
- (g) Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.

- (h) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however, to be held in Oslo). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee (the "**Chairman**"). If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and the Chairman elected by the Bondholders' Meeting.
- (i) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The 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 will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (j) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (k) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairman. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairman and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (l) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronic platform or via press release).
- (m) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.
- (n) For the avoidance of doubt, the Bond Trustee can convene separate Bondholders' Meetings for the Tranche A Bonds Bondholders on the one hand, and the Tranche B Bonds Bondholders on the other.

#### **7.7. Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, in accordance with Clause 6.3 (*Bondholders' rights*) of this Bond Agreement. The Chairman may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairman shall determine any question concerning whether any Bonds will be considered to be Issuer's Bonds.
- (c) For the purposes of this Clause 7 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 6.3 (*Bondholders' rights*) of this Bond Agreement, 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 6.3 (*Bondholders' rights*) of this Bond Agreement stating that it is the owner of the Bonds voted for. If the Bondholder has voted

directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairman will have the deciding vote.

**7.8. Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in Clause 7.1(d) (*Authority of the Bondholders' Meeting*) of this Bond Agreement is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), Clause 7.6 (*Procedure for arranging a Bondholders' Meeting*) and Clause 7.7 (*Voting rules*) of this Bond Agreement shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in Clause 7.1(d) (*Authority of the Bondholders' Meeting*) of this Bond Agreement shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 7.9 (*Written Resolutions*) of this Bond Agreement, even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 7.6 (*Procedure for arranging a Bondholders' Meeting*) of this Bond Agreement and vice versa.

**7.9. Written Resolutions**

- (a) Subject to this Bond Agreement, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 7.1 (*Authority of the Bondholders' Meeting*) of this Bond Agreement 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) Where a provision of this Bond Agreement specifies that a matter may be resolved by holders of Bonds within a particular Tranche by way of Written Resolution, a Written Resolution passed with the relevant majority of that Tranche is as valid as if it had been passed by Bondholders of all Tranches by Written Resolution of Bondholders in all Tranches and any reference in any Finance Document to a Written Resolution shall be construed accordingly.
- (c) 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.
- (d) The Summons for the Written Resolution shall be sent to the Bondholders of the relevant Issue registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (e) The provisions set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), 7.6 (*Procedure for arranging a Bondholder's Meeting*), Clause 7.7 (*Voting Rules*) and Clause 7.8 (*Repeated Bondholders' Meeting*) of this Bond Agreement shall apply *mutatis mutandis* to a Written Resolution, except that:

- (i) the provisions set out in paragraphs (h), (i) and (j) of Clause 7.6 (*Procedure for arranging Bondholders Meetings*) of this Bond Agreement; or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 7.9 (*Written Resolution*) of this Bond Agreement,
- shall not apply to a Written Resolution.
- (f) The Summons for a Written Resolution shall include:
    - (i) instructions as to how to vote in respect of 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**”).
  - (g) The Voting Period shall be at least three (3) Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 7.8 (*Repeated Bondholders’ Meeting*) of this Bond Agreement shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons.
  - (h) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders’ rights*) of this Bond Agreement, will be counted in the Written Resolution.
  - (i) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 7.1 (*Authority of Bondholders’ Meeting*) of this Bond Agreement has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient number of positive votes are received prior to the expiry of the Voting Period.
  - (j) 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.
  - (k) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 7.1 (*Authority of Bondholders’ Meeting*) but subject always to the provisions of Clauses 7.2 (*Tranche A Bondholders’ Entrenched Right Matters*), 7.3 (*Tranche A1 Bondholders’ Entrenched Right Matters*), 7.4 (*Tranche A2 Bondholders’ Entrenched Right Matters*) and 7.5 (*Tranche B Bondholders’ Entrenched Right Matters*) of this Bond Agreement.

**7.10. Tranche A Bondholder Representative**

- (a) At any time from and including the Issue Date, for the purposes of the Ongoing Funding Agreement, the Tranche A Bondholders may, but shall not be required to, instruct the Bond Trustee to appoint or remove a (but no more than one at any given time) Tranche A Bondholder Representative (the “**Tranche A Bondholder Representative Instruction**”).
- (b) Any Tranche A Bondholder Representative Instruction shall be given by a simple majority of the Tranche A Voting Bonds either in the form of a written instruction to the Bond Trustee or at a Bondholders’ Meeting of the Tranche A Bonds.
- (c) The Bond Trustee may refuse to appoint a Tranche A Bondholder Representative if it determines, in its sole discretion, that such instruction would result in the appointment of a Tranche A Bondholder Representative that is, or may have any direct or indirect interest in,

a person that is adverse to any litigation which is being funded pursuant to the terms of the Ongoing Funding Agreement and that involves Sea Trucks Group Limited (in liquidation) or any of its Subsidiaries.

- (d) Within a reasonable time following any appointment or removal of a Tranche A Bondholder Representative made in accordance with this Clause 7.10 (*Tranche A Bondholder Representative*), the Bond Trustee shall provide notice to the Issuer of the identity of the Tranche A Bondholder Representative and its contact details for notices to be provided under and in accordance with Clause 4.6.7 (*Information covenants*) of this Bond Agreement.
- (e) Any Tranche A Bondholder Representative appointed from time to time shall not represent or owe any duties to the Bond Trustee, or the Bondholders, and will not be liable to the Bond Trustee or the Bondholders for damage or loss caused by any action taken or omitted under or in connection with the Ongoing Funding Agreement.

**7.11. Tranche B Bondholder Representative**

- (a) At any time from and including the Issue Date, for the purposes of the Ongoing Funding Agreement, the Tranche B Bondholders may, but shall not be required to, instruct the Bond Trustee to appoint or remove a (but no more than one at any given time) Tranche B Bondholder Representative (the “**Tranche B Bondholder Representative Instruction**”).
- (b) Any Tranche B Bondholder Representative Instruction shall be given by a simple majority of the Tranche B Voting Bonds either in the form of a written instruction to the Bond Trustee or at a Bondholders’ Meeting of the Tranche B Bonds.
- (c) The Bond Trustee may refuse to appoint a Tranche B Bondholder Representative if it determines, in its sole discretion, that such instruction would result in the appointment of a Tranche B Bondholder Representative that is, or may have any direct or indirect interest in, a person that is adverse to any litigation which is being funded pursuant to the terms of the Ongoing Funding Agreement and that involves Sea Trucks Group Limited (in liquidation) or any of its Subsidiaries.
- (d) Within a reasonable time following any appointment or removal of a Tranche B Bondholder Representative made in accordance with this Clause 7.11 (*Tranche B Bondholder Representative*), the Bond Trustee shall provide notice to the Issuer of the identity of the Tranche B Bondholder Representative and its contact details for notices to be provided under and in accordance with Clause 4.6.7 (*Information covenants*) of this Bond Agreement.
- (e) Any Tranche B Bondholder Representative appointed from time to time shall not represent or owe any duties to the Bond Trustee, or the Bondholders, and will not be liable to the Bond Trustee or the Bondholders for damage or loss caused by any action taken or omitted under or in connection with the Ongoing Funding Agreement.

**7.12. Ongoing Funding Agreement Termination Notice**

The Bond Trustee shall provide the Issuer with an Ongoing Funding Agreement Termination Notice if, at any time:

- (a) the Bond Trustee receives an instruction in writing from the Bondholders representing a simple majority of the Voting Bonds to provide the Issuer with an Ongoing Funding Agreement Termination Notice, and a Bondholders Meeting of the Voting Bonds has not made a resolution to the contrary; or
- (b) a Bondholders’ Meeting has so decided, provided that at least a simple majority of the represented Voting Bonds voted in favour of the foregoing.

**8. THE BOND TRUSTEE**

**8.1. Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of this Bond Agreement, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.
- (c) In order to carry out its functions and obligations under this Bond Agreement, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

**8.2. The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in this Bond Agreement, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of this Bond Agreement.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with this Bond Agreement, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or

- (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (d) and (e) of Clause 8.4 (*Expenses, liability and indemnity*) of this Bond Agreement, the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **8.3. Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

### **8.4. Expenses, liability and indemnity**

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



to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. For Nordic Financial Undertakings, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site ([www.nordictrustee.no](http://www.nordictrustee.no)) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Fee Agreement will be entered into. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **8.5. Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 7 (*Bondholders' Decisions*) of this Bond Agreement, and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 8.5 (*Replacement of the Bond Trustee*) of this Bond Agreement, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under this Bond Agreement, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 8.5 (*Replacement of the Bond Trustee*) of this Bond Agreement. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from when the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## 9. OTHER PROVISIONS

### 9.1. Amendments and waivers

#### 9.1.1. *Procedure for amendments and waivers*

Amendments of this Bond Agreement may only be made with the approval of the parties to this Bond Agreement, with the exception of amendments related to Clause 8.5 (*Replacement of the Bond Trustee*) of this Bond Agreement.

#### 9.1.2. *Issuer Amendment*

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 7 (*Bondholders' Decisions*) of this Bond Agreement.

#### 9.1.3. *Authority with respect to documentation*

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

#### 9.1.4. *Notification of amendments or waivers*

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 9.1 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to this Bond Agreement is duly registered with the CSD.

### 9.2. Purchase of Bonds by the Group

Neither the Parent nor the Issuer shall, and each of the Parent and the Issuer shall ensure that no other Group Company shall, acquire, purchase or hold (in each case howsoever described) Bonds at any time.

### 9.3. Defeasance

Provided that an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date, including any potential Call premium (the "**Defeasance Amount**") is transferred to an account in a financial undertaking acceptable to the Bond Trustee (the "**Defeasance Account**") and which is pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"), the Issuer may request to the Bond Trustee that:

- (a) the Issuer shall be relieved of its obligations under Clause 4.1 (*Representations and warranties*) and Clause 4.2 (*General covenants*) of this Bond Agreement;
- (b) any security provided for the Bonds may be released and the Defeasance Pledge shall be considered replacement of such security; and

(c) any guarantor may be released of its guarantee obligations pursuant to the Bond Agreement.

The Bond Trustee may require such further conditions, statements and legal opinions before the defeasance arrangements are implemented as the Bond Trustee may reasonably require.

The Bond Trustee shall be authorised to apply any Defeasance Amount deposited on the Defeasance Account towards any amount payable by the Issuer under or pursuant to the Bond Agreement on the due date for the relevant payment until all obligations of the Issuer are repaid and discharged in full.

The Bond Trustee may, if the relevant Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 9.3 (*Defeasance*) may not be reversed.

#### **9.4. Expenses**

(a) The Issuer shall cover all its own expenses in connection with this Bond Agreement and the fulfilment of its obligations hereunder, including the preparation of this Bond Agreement, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the CSD.

(b) Any public fees payable in connection with this Bond Agreement and fulfilling of the obligations pursuant it shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.

(c) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

#### **9.5. Notices**

(a) Written notices, warnings, summons etc. to the Bondholders made by the Bond Trustee shall be sent via the CSD with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published on the web site [www.stamdata.no](http://www.stamdata.no).

(b) The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the CSD with a copy to the Bond Trustee and the Exchange.

(c) Information (other than Non-Sensitive Information) required to be provided solely to the Bond Trustee pursuant to this Bond Agreement shall neither (1) be published on [www.stamdata.no](http://www.stamdata.no), any website operated by the Bond Trustee or any other public website nor (2) otherwise be made public (by way of press release or otherwise), in each case by the Bond Trustee, unless:

(i) an Event of Default has occurred and is continuing;

(ii) the Issuer provides its prior consent; or

(iii) the Bond Trustee determines, in its sole discretion, that a failure to disclose such information to the Bondholders may prejudice the interests of the Bondholders provided that no such disclosure may be made by the Bond Trustee pursuant to this subparagraph (iii) unless the Bond Trustee has first informed the Issuer of the intended disclosure and given the Issuer at least 1 Business Day to consult with the Bond Trustee in respect of the intended disclosure.

(d) For the avoidance of doubt, no Ongoing Funding Agreement Information may be disclosed pursuant to this Clause 9.5 (*Notices*).

#### **9.6. Contact information**

(a) Unless otherwise specifically provided, all notices or other communications under or in connection with this Bond Agreement between the Bond Trustee and the Issuer and Parent

shall be given or made in writing, by letter, e-mail or fax to the address details set out below:

If to the Issuer or the Parent:

Ivan Coyard  
c/o Sea Trucks DMCC  
31st Floor Reef Tower  
Jumeirah Lake Towers  
Dubai, United Arab Emirates  
[IvanCoyard@seatrucksgroup.com](mailto:IvanCoyard@seatrucksgroup.com)

with a copy to

Attention: Atricia Nembhard and Darlene Zelaya  
Estera Trust (Cayman) Limited  
Clifton House, 75 Fort Street,  
PO Box 1350, Grand Cayman,  
Cayman Islands, KY1-1108  
Fax +1 345 949 4901  
[cayman@estera.com](mailto:cayman@estera.com)

If to the Bond Trustee:

Noridc Trustee AS  
Haakon VII gate 1  
0161 OSLO  
Norway  
Attn: Fredrik Lundberg  
Fax: + 47 22 87 94 10  
Email: [lundberg@trustee.no](mailto:lundberg@trustee.no)

- (b) Any such notice or communication shall be deemed to be given or made as follows:
  - (i) if by letter, when delivered at the above address;
  - (ii) if by e-mail, when received; and
  - (iii) if by fax, when received.
- (c) The Issuer, Parent and the Bond Trustee shall ensure that the other party is kept informed of any changes in its postal address, e-mail address, telephone and fax numbers and contact persons.

**9.7. Governing law**

This Bond Agreement shall be governed by and construed in accordance with Norwegian law.

**9.8. Jurisdiction**

- (a) The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the Oslo district court (*Oslo Tingrett*) shall have jurisdiction with respect to any dispute arising out of or in connection with this Bond Agreement (a “**Dispute**”). The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with this Bond Agreement against the Issuer or any of its assets may be brought in such court and that the Issuer shall be prevented from taking proceedings relating to a Dispute in any other court of law.

- (b) Paragraph (a) above has been agreed for the benefit of the Bond Trustee and the Bondholders only. 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 also take concurrent proceedings in any number of jurisdictions. Accordingly, it is agreed that the Oslo district court (*Oslo Tingrett*) has non-exclusive jurisdiction to settle any Dispute.

\*\*\*

**SIGNATURES:**

<b>The Issuer:</b>  ..... :	<b>The Parent:</b>  ..... :
<b>The Bond Trustee:</b>  ..... :	

**SCHEDULE 1**  
**COMPLIANCE CERTIFICATE**

Nordic Trustee AS  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

**NX BOND AGREEMENT Y1/Y2**

**ISIN NO0010814627**

**ISIN NO0010814643**

**ISIN NO001\_\_\_\_\_**

We refer to the Bond Agreement for the abovementioned Bond Issue (the “**Bond Agreement**”) made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Compliance Certificate shall be issued in the circumstances provided in Clause 4.6.4 (*Information covenants*) of the Bond Agreement. This letter constitutes the Compliance Certificate (the “**Certificate**”) for the period [*RELEVANT PERIOD*].

Unless otherwise defined in this Certificate or the context requires otherwise, terms used in this Certificate have the same meaning as in the Bond Agreement.

With reference to Clause 4.6.4 (*Information covenants*) of the Bond Agreement, we hereby certify that:

1. all information contained herein is true and accurate and there has been no change which would have a Material Adverse Effect on the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you;
2. the covenants set out in Clauses 4.2 (*General covenants*), 4.3 (*Special covenants*), 4.4 (*Financial covenants*), 4.5 (*Vessel covenants*), and 4.6 (*Information covenants*) of the Bond Agreement are satisfied; and
3. all relevant Security is established in accordance with the Bond Agreement;

Yours faithfully,

\_\_\_\_\_  
*Name of authorised person*  
*For and on behalf of*

**Telford Offshore Limited**

Enclosure: [*copy of any written documentation*]



**SCHEDULE 2**  
**CASH SWEEP CONFIRMATION CERTIFICATE**

Nordic Trustee AS  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10  
E-mail: mail@trustee.no

[date]

Dear Sirs,

**NX BOND AGREEMENT Y1/Y2**  
**ISIN NO0010814627**  
**ISIN NO0010814643**  
**ISIN NO001\_\_\_\_\_**

We refer to the Bond Agreement for the abovementioned Bond Issue (the “**Bond Agreement**”) made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Cash Sweep Confirmation Certificate shall be issued in the circumstances provided in Clause 4.6.5 (*Information covenants*) of the Bond Agreement. This letter constitutes the Cash Sweep Confirmation Certificate for the period [RELEVANT PERIOD].

Capitalised terms used herein shall have the same meaning as in the Bond Agreement.

With reference to Clause 4.6.1(g) (*Information covenants*) of the Bond Agreement, we hereby:

- (a) certify that the Adjusted Liquidity Amount is [INSERT “ADJUSTED LIQUIDITY AMOUNT”]; and
- (b) certify that the Cash Sweep Amount is [INSERT “CASH SWEEP AMOUNT” (IF ANY)].

Yours faithfully,

\_\_\_\_\_  
*Name of authorised person*  
*For and on behalf of*

**Telford Offshore Limited**

Enclosure: [copy of any written documentation]

**SCHEDULE 3**  
**INTERCREDITOR PRINCIPLES**

1. The purpose of the Intercreditor Agreement will be to regulate, among other things:
  - a. the claims of the Secured Parties;
  - b. the enforcement of rights (including enforcement of security and acceleration of indebtedness) by the Secured Parties;
  - c. the turnover of payments; and
  - d. the giving of consents for certain significant modifications to the Bond Agreement and any Credit Facility.
2. Unsecured creditors will not become parties to the Intercreditor Agreement and, although ranking behind the Secured Parties in administration, bankruptcy, reorganisation proceedings or other enforcement, will have unfettered independent rights of action in respect of their debts.
3. The table below lists the key terms of the Intercreditor Agreement and (as applicable) the Credit Facilities.

Availability	A Credit Facility will only be available if and to the extent that it constitutes Permitted Financial Indebtedness in accordance with the terms of the Bond Agreement.
Condition to drawdown	No Event of Default is continuing under the Bond Agreement (unless the Bond Trustee, acting on instruction of more than 50% of the Tranche A Bondholders and the Tranche B Bondholders voting together, consents).
Documentation	Except to the extent specified below, the Intercreditor Agreement shall not be restricted from containing standard LMA-style intercreditor protections.
Ranking	Each Credit Facility will be guaranteed and secured and rank: <ol style="list-style-type: none"> <li>(a) in the case of a Super Senior Bonding Facility, in right and priority of payment senior to the Tranche A Bonds, each other Credit Facility that is not a Super Senior Bonding Facility and the Tranche B Bonds; and</li> <li>(b) in the case of a Senior Bonding Facility or Refinancing Facility, in right and priority of payment (i) junior to any Super Senior Bonding Facility, (ii) <i>pari passu</i> with the Tranche A Bonds (if any) and each other Credit Facility that is not a Super Senior Bonding Facility, and (iii) senior to the Tranche B Bonds.</li> </ol>
Enforcement	The Security Agent shall, with respect to any enforcement action which the Security Agent is entitled to take at any time (i) act upon the instructions of the Instructing Group, or (ii) act in its sole discretion where it considers it necessary or advisable to ensure the rights of the Secured Parties are protected.
Enforcement Notice Provisions	In respect of enforcement action, the Security Agent will be required to act upon the instructions of the relevant Instructing Group as

	<p>follows:</p> <ul style="list-style-type: none"> <li>(a) during the Tranche B Bondholders Enforcement Period, the Bond Trustee (acting on a Tranche B Bondholders Acceleration Instruction or a Tranche B Bondholder Enforcement Instruction in accordance with the Bond Agreement); and</li> <li>(b) during the Majority Secured Creditors Enforcement Period, the Majority Secured Creditors; and</li> <li>(c) at any time following the Majority Secured Creditors Enforcement Period and at all times thereafter, the Majority Senior and Super Senior Creditors.</li> </ul>
Restriction on Enforcement	<ul style="list-style-type: none"> <li>(a) Subject to paragraph (b) below, if the Security Agent has commenced any enforcement action pursuant to Enforcement Instructions given by any Instructing Group, no other Instructing Group shall be entitled to give Enforcement Instructions which contradict or otherwise adversely affect any such original Enforcement Instructions in any material respect.</li> <li>(b) Subject to the terms of these Intercreditor Principles, upon the expiration of any Majority Secured Creditors Enforcement Period (but only for so long as the relevant Event of Default under and as defined in any Credit Facility Agreement and/or in respect of the Bond Agreement (as applicable) is continuing): <ul style="list-style-type: none"> <li>(i) an Instructing Group consisting of the Majority Senior and Super Senior Creditors shall be entitled to provide Enforcement Instructions to the Security Agent and the Security Agent shall be required to act in accordance with any such Enforcement Instructions, irrespective of whether such Enforcement Instructions contradict or otherwise adversely affect any such original Enforcement Instructions;; and</li> <li>(ii) other than an Instructing Group consisting of the Majority Senior and Super Senior Creditors, no other Instructing Group shall be entitled to provide Enforcement Instructions to the Security Agent (and if given, shall be disregarded by the Security Agent).</li> </ul> </li> </ul>
Releases	<p>The Security Agent shall be able to release Security Interests upon instruction of the Instructing Group subject to the Enforcement Principles (see below) and the application of proceeds in accordance with the paragraph headed "Application of Proceeds" below.</p>
Enforcement Principles	<p>A Distressed Disposal of shares or other assets of any Group Company may only be effected if such Distressed Disposal is:</p> <ul style="list-style-type: none"> <li>(a) made by way of a Competitive Sales Process; or</li> <li>(b) a Financial Advisor, as selected by the Security Agent, has delivered a Fairness Opinion,</li> </ul> <p>provided that, in either case, if a Distressed Disposal is being effected upon the instruction of the Bond Trustee (acting on the instructions of the Tranche B Bondholders in accordance with the</p>

	<p>Bond Agreement) during the Tranche B Bondholders Enforcement Period, then the consideration payable in connection with any such Distressed Disposal must either:</p> <p>(i) be payable solely in cash; or</p> <p>(ii) result in the Security Agent receiving cash proceeds in an aggregate amount which is at least sufficient to discharge the Senior Liabilities and the Super Senior Liabilities (if any) in full.</p>
Turnover	<p>Any amounts received by the Bond Trustee or the Credit Facility Provider(s) that are not permitted payments (as that term will be defined in the Intercreditor Agreement) or otherwise permitted in accordance with the terms of the Intercreditor Agreement shall be (i) held on trust for the Security Agent and (ii) paid or distributed promptly to the Security Agent, in each case, for application in accordance with the terms of the Intercreditor Agreement.</p>
Application of Proceeds	<p>Subject to the Prospective Super Senior Liabilities and Senior Liabilities provisions below, the proceeds of enforcement and all other amounts paid to the Security Agent under the Intercreditor Agreement or any of the Security Documents (post enforcement) (the “Recoveries”) shall be applied in the following order of priority:</p> <p>(a) <b>first</b>, <i>pro rata</i> and <i>pari passu</i>, according to the respective amounts thereof in or towards satisfaction of the costs, fees, expenses and any other amounts (including by way of indemnities) to:</p> <p>(i) the Bond Trustee under any Finance Document; and</p> <p>(ii) the Security Agent; and</p> <p>(iii) each Credit Facility Agent;</p> <p>(b) <b>second</b>, in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under a Super Senior Bonding Facility <i>pro rata</i> without any preference or priority of any kind;</p> <p>(c) <b>third</b>, <i>pro rata</i> and <i>pari passu</i>, according to the respective amounts thereof in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under:</p> <p>(i) any Tranche A Bonds or Refinancing Facility, <i>pro rata</i> without any preference or priority of any kind; and</p> <p>(ii) each Senior Bonding Facility, <i>pro rata</i> without any preference or priority of any kind;</p> <p>(d) <b>fourth</b>, in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under any Tranche B Bonds <i>pro rata</i> without any preference or priority of any kind;</p> <p>(e) <b>fifth</b>, in or towards satisfaction of all other amounts payable under the Finance Documents; and</p> <p>(f) <b>sixth</b>, any surplus shall be available to each Group Company</p>

	entitled thereto to deal with as it sees fit.
Prospective Super Senior Liabilities and Senior Liabilities	<p>Following a Distress Event the Security Agent may, in its discretion:</p> <ul style="list-style-type: none"> <li>(a) hold any amount of the Recoveries which is in the form of cash, and any cash which is generated by holding, managing, collecting, realising or disposing of any Non-Cash Consideration, in one or more interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution(s) as the Security Agent shall think fit (the interest being credited to the relevant account); and</li> <li>(b) hold, manage, collect and realise any amount of the Recoveries which is in the form of Non-Cash Consideration,</li> </ul> <p>in each case for so long as the Security Agent shall think fit for later application under the Application of Proceeds provisions in respect of:</p> <ul style="list-style-type: none"> <li>(i) any sum that may become due to the Security Agent, any Receiver or any Delegate, the Bond Trustee, any Credit Facility Agent or any Credit Facility Provider; and</li> <li>(ii) any performance bonds or letters of credit issued under a Super Senior Bonding Facility or Senior Bonding Facility but which have not been either (1) called, or (2) cash collateralised, as at the relevant time,</li> </ul> <p>that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.</p>
Restrictions on Amendments	<p>Subject to the below, for so long as any Credit Facility is in place, there shall be no amendments to the Commercial Terms of (i) any Credit Facility or (ii) the Bond Agreement, in each case without consent of the Bond Trustee (for and on behalf of the Bondholders).</p> <p>Amendments to (i) any Credit Facility or (ii) the Bond Agreement, which are made in accordance with their respective terms (including but not limited to the entrenched rights provisions of the Bond Agreement) which:</p> <ul style="list-style-type: none"> <li>(a) would reduce the required payments under either agreement;</li> <li>(b) would result in an extension of the maturity date with respect to any required payment under any such agreement; or</li> <li>(c) would allow for the payment of PIK interest in lieu of cash under any such agreement,</li> </ul> <p>are, in each case, permitted.</p> <p>For the avoidance of doubt, this restriction shall not prevent the payment of any fees or commission in consideration of:</p> <ul style="list-style-type: none"> <li>(i) the amendment or waiver of any provision (the amendment or waiver of which is itself permitted under this paragraph) provided that such fee or commission is paid, on a pro rata basis, to each Senior Creditor and/or each Super Senior Creditor (as applicable) consenting to such Amendment; or</li> <li>(ii) the work undertaken by the Bond Trustee or a Credit</li> </ul>

**DOCUMENT 1**  
**EXECUTION VERSION**

	Facility Agent.
Governing Law	English

**SCHEDULE 4**  
**PERMITTED BONDING FACILITY TERMS**

**PART I – SENIOR BONDING FACILITY TERMS**

Other than repayment of any amounts of principal at par, the total amount payable by the relevant Group Companies on or in respect of any Senior Bonding Facility (including the applicable interest rate, all fees payable to the relevant Credit Facility Provider(s) and taking into account any repayment premium(s) due under that Senior Bonding Facility, including the OID element of any principal amount that is repaid) shall not exceed 10 (ten) per cent. per annum by reference to the Principal Amount Outstanding under that Senior Bonding Facility.

The liabilities owed by the relevant Group Companies under any Senior Bonding Facility shall rank in right and priority of payment (i) junior to any indebtedness outstanding under a Super Senior Bonding Facility, (ii) *pari passu* with the Tranche A Bonds and each other Credit Facility that is not a Super Senior Bonding Facility, and (iii) senior to the Tranche B Bonds.

**PART II – SUPER SENIOR BONDING FACILITY TERMS**

Other than repayment of any amounts of principal at par, the total amount payable by the relevant Group Companies on or in respect of any Super Senior Bonding Facility (including the applicable interest rate, all fees payable to the relevant Credit Facility Provider(s) and taking into account any repayment premium(s) due under that Super Senior Bonding Facility, including the OID element of any principal amount that is repaid) shall not exceed 6 (six) per cent. per annum by reference to the Principal Amount Outstanding under that Super Senior Bonding Facility.

The liabilities owed by the relevant Group Companies under any Super Senior Bonding Facility shall rank in right and priority of payment senior to the Tranche A Bonds, each other Credit Facility that is not a Super Senior Bonding Facility and the Tranche B Bonds.

**SCHEDULE 5**  
**SUPER SENIOR STEP-UP RATE FORMULA**

The Super Senior Step-Up Rate (expressed as a percentage rate per annum) for each Interest Period shall be:

$$\left(\frac{V}{W}\right)$$

where:

“U” means,  $\frac{X}{Y}$ , provided that if U is more than 1.0, it shall be deemed to be 1.0

“V” means, the sum of (U x 2.50) calculated on each day of that Interest Period;

“W” means, the total number of days in that Interest Period;

“X” means, with respect to any day during that Interest Period, the Super Senior Bonding Facility Outstanding Amount as at that day, provided that if the Principal Amount Outstanding of the Tranche A Bonds as at that day is less than or equal to fifty nine million, four hundred and eighty seven thousand eight hundred and thirty two US Dollars (USD 59,487,832), then “X” shall be the sum of the Super Senior Bonding Facility Outstanding Amount as at that day minus Z, provided further that if that sum results in a negative number, then “X” shall be deemed to be zero;

“Y” means, with respect to any day, the aggregate Principal Amount Outstanding of all Tranche A Bonds as at that day; and

“Z” means, with respect to any day during that Interest Period, fifty nine million, four hundred and eighty seven thousand eight hundred and thirty two US Dollars (USD 59,487,832) minus the Principal Amount Outstanding of the Tranche A Bonds as at that day.



**SCHEDULE 6**  
**SUPER SENIOR STEP-UP RATE CERTIFICATE**

Nordic Trustee AS  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10  
E-mail: mail@trustee.no

[date]

Dear Sirs,

**NX BOND AGREEMENT Y1/Y2**  
**ISIN NO0010814627**  
**ISIN NO0010814643**  
**ISIN NO001\_\_\_\_\_**

We refer to the Bond Agreement for the abovementioned Bond Issue (the “**Bond Agreement**”) made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Super Senior Step-Up Rate Certificate shall be issued in the circumstances provided in Clause 4.6.6 (*Information covenants*) of the Bond Agreement. This letter constitutes the Super Senior Step-Up Rate Certificate in respect of the Interest Period ending on [INSERT LAST DAY OF THE PRECEDING INTEREST PERIOD] (the “**Applicable Period**”).<sup>1</sup>

Capitalised terms used herein shall have the same meaning as in the Bond Agreement.

With reference to Clause 4.6.1(q) (*Information covenants*) of the Bond Agreement, we hereby certify that during the Applicable Period, a Credit Facility Provider had amounts outstanding under a Super Senior Bonding Facility and, consequently, the Super Senior Step-Up Rate applicable to the Applicable Period is [INSERT RELEVANT PERCENTAGE] which we have calculated in accordance with Schedule 5 (*Super Senior Step-Up Rate Formula*) of the Bond Agreement, and calculations with respect thereto are set out below:

[INSERT CALCULATIONS]

Yours faithfully,

\_\_\_\_\_  
*Name of authorised person*  
*For and on behalf of*

**Telford Offshore Limited**

<sup>1</sup> This will be the day before the date of this Super Senior Step-Up Rate Certificate.

Enclosure: [*copy of any written documentation*]

**SCHEDULE 7**  
**TRANCHE B BONDS INTEREST RATE ELECTION CERTIFICATE**

DNB Bank ASA  
Registrars Department  
Dronning Eufemias gate, 30, 0191, Oslo

Email: kuo@dnb.no

With a copy to:

Nordic Trustee AS  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

**NX BOND AGREEMENT Y1/Y2**  
**ISIN NO0010814627**  
**ISIN NO0010814643**  
**ISIN NO001\_\_\_\_\_**

We refer to the Bond Agreement for the abovementioned Bond Issue (the “**Bond Agreement**”) made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer. This letter constitutes the Tranche B Bonds Interest Rate Election Certificate.

Capitalised terms used herein shall have the same meaning as in the Bond Agreement.

With reference to Clause 4.9.4(d) (*Interest Rate calculation and fixing*) of the Bond Agreement, we hereby confirm that, with respect to the Tranche B Bonds Interest Rate, we have elected Option [1/2/3] for the Interest Period commencing on the Tranche B Bonds Interest Payment Date which will occur on [DATE]

Yours faithfully,

\_\_\_\_\_  
*Name of authorised person*  
*For and on behalf of*

**Telford Offshore Limited**

Enclosure: [copy of any written documentation]