



## **Securities Note**

**for**

**MPC Container Ships Invest B.V.  
FRN Senior Secured USD 200,000,000 bonds 2017/2022**

Oslo, 23 March 2018

Joint Lead Managers:



**Important information\***

The Securities Note has been prepared in connection with listing of the securities on the Oslo Børs. The Norwegian FSA ("Finanstilsynet") has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. Finanstilsynet has not controlled or approved the accuracy or completeness of the information included in this Securities Note. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Securities Note.

New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

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

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

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

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

The Securities Note included the Summary dated 23 March 2018 together with the Registration Document dated 23 March 2018 constitutes the Prospectus.

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

Contact the Borrower or the Joint Lead Managers to receive copies of the Securities Note.

**Factors which are material for the purpose of assessing the market risks associated with Bond:**

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

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

**Modification and Waiver**

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

The power of the Bond Trustee to represent the Bondholders and the duties and authority of the Bond Trustee are described in the Bond Agreement clause 16.1 and 16.2, respectively.

\*The capitalised words in the section "Important Information" are defined in Chapter 4: "Detailed information about the securities".

Index:

1 Summary .....	5
2 Risk Factors.....	15
3 Persons Responsible.....	17
4 Detailed information about the securities.....	18
5 Additional Information .....	27
6 Appendix 1: Bond Agreement and Addendum no. 1 .....	28

# 1 Summary

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

## Section A Introduction and warning

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
A.1	Warning.	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent	Not applicable. There is no consent

## Section B Issuer and any guarantor

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name of the issuer.	MPC Container Ships Invest B.V.
B.2	Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.	The Issuer is a private limited liability company incorporated under the laws of the Netherlands.
B.4b	Description of any known trends affecting the issuer and the industries in which it operates.	<p>The Group's market belief is that supply of vessels will grow at a slower pace than demand for feeder and small feeder vessels over the next few years, creating a demand/supply balance, which is more favorable for ship owners, following an extended period of oversupply. If the Group's expectation of a declining fleet turns out to be right, and the demand for container transportation is stable or increasing, the Group believes that rates for container vessels will recover from the depressed levels seen in 2015 and 2016, and that container vessel values will increase accordingly.</p> <p>The Group is, among others, subject to macroeconomic and shipping conditions as well as risks associated with international shipping operations.</p> <p>There are none known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's or any Guarantor's prospects for at least the</p>

		current financial year.
B.5	If the issuer is part of a group, a description of the group and the issuer's position within the group.	The Issuer is a subsidiary of the Parent (MPC Container Ships ASA, a public limited liability company incorporated under the laws of Norway).
B.9	Where a profit forecast or estimate is made, state the figure.	Not applicable. No forecasts or estimates are made public.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable. There are no qualifications in the audited financial reports.
B.12	Selected historical key financial information regarding the issuer, a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change and a description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.	<p>There has been no material adverse change in the prospects of the Parent, the Company or the Subsidiaries since the Issuer's audited financial statements as of 30 September 2017.</p> <p>In the period after 30 September 2017 and up to the date of this Registration Document the following significant changes in the financial position of the Parent, the Company or the Subsidiaries have occurred:</p> <ul style="list-style-type: none"> <li>On 23 November 2017, the Parent completed a private placement of 30,250,000 new Shares with gross proceeds of USD 175 million. The Shares were issued at a subscription price of NOK 47.5 per share. Issuance of the shares was completed on [8] December 2017.</li> <li>On 16 January 2018, the Parent converted into a public limited liability company (ASA). Under a resolution approved by the extraordinary general meeting of the Company held on 16 January 2018, the board of directors is authorized to increase the Parent's share capital by up to NOK 163,132,500. The pre-emptive rights of the shareholders may be set aside by the board of directors. In addition, the board of directors is authorized to resolve to take up convertible loans with an aggregate principal amount of up to NOK 1,000,000,000. Upon conversion of loans taken up pursuant to this authorization, the Parent's share capital may be increased by up to NOK 163,132,500.</li> <li>As of 29 January 2018, the shares of the Parent are listed at Oslo Axess, Oslo Stock Exchange.</li> <li>On 30 January 2018, the Group entered into purchase agreements for the acquisition of two feeder container vessels with a total purchase price of USD 21.8 million.</li> <li>On 31 January 2018, the Group entered into a purchase agreement for the acquisition of a feeder container vessel with a purchase price of USD 10.5 million.</li> <li>On 2 February 2018, the Group completed a tap issue of USD 100 million in its senior secured bond facility.</li> <li>On 16 February 2018, the Parent issued 11,750,000 new shares at a subscription price of NOK 50.00 per share in a private placement, resulting in gross proceeds of USD 75 million. Shares issued following the private placement in February 2018 are temporarily listed on the Merkur Market at the Oslo Stock Exchange.</li> </ul> <p>On 20 February 2018, the Group entered into purchase agreements for the acquisition of 14</p>

		feeder container vessels with a total purchase price of USD 139.5 million. Other than the above, there has been no significant change in the financial or trading position of the Parent, the Company or the Subsidiaries since the end of the last financial period for which annual and interim financial information has been published.																																																																	
	<table><tr><td></td><td colspan="2"><b>Consolidated Issuer</b></td><td colspan="2"><b>Consolidated Parent</b></td></tr><tr><td>Amounts in USD 1000</td><td><b>Q4 2017 YTD (unaudited)</b></td><td><b>Q3 2017 YTD (audited)</b></td><td><b>Q4 2017 YTD (unaudited)</b></td><td><b>Q3 2017 YTD (audited)</b></td></tr><tr><td>Operating result (EBIT)</td><td>-1,260</td><td>-287</td><td>-2,384</td><td>-716</td></tr><tr><td>Profit/(Loss) before income tax (EBT)</td><td>-2,930</td><td>-417</td><td>-2,388</td><td>-272</td></tr><tr><td>Profit/(Loss) for the period</td><td>-2,952</td><td>-417</td><td>-2,534</td><td>-336</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Assets</td><td>225,673</td><td>205,074</td><td>451,125</td><td>277,243</td></tr><tr><td>Equity and liabilities</td><td>225,673</td><td>205,074</td><td>451,125</td><td>277,243</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Cash flow from operating activities</td><td>535</td><td>-163</td><td>3,160</td><td>1,737</td></tr><tr><td>Cash flow from investing activities</td><td>-163,451</td><td></td><td>-284,158</td><td>-151,220</td></tr><tr><td>Cash flow from financing activities</td><td>222,464</td><td>105,342</td><td>445,337</td><td>271,781</td></tr><tr><td>Cash and cash equivalents at end of period</td><td>59,548</td><td>105,179</td><td>164,322</td><td>122,284</td></tr></table>		<b>Consolidated Issuer</b>		<b>Consolidated Parent</b>		Amounts in USD 1000	<b>Q4 2017 YTD (unaudited)</b>	<b>Q3 2017 YTD (audited)</b>	<b>Q4 2017 YTD (unaudited)</b>	<b>Q3 2017 YTD (audited)</b>	Operating result (EBIT)	-1,260	-287	-2,384	-716	Profit/(Loss) before income tax (EBT)	-2,930	-417	-2,388	-272	Profit/(Loss) for the period	-2,952	-417	-2,534	-336						Assets	225,673	205,074	451,125	277,243	Equity and liabilities	225,673	205,074	451,125	277,243						Cash flow from operating activities	535	-163	3,160	1,737	Cash flow from investing activities	-163,451		-284,158	-151,220	Cash flow from financing activities	222,464	105,342	445,337	271,781	Cash and cash equivalents at end of period	59,548	105,179	164,322	122,284	
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B.13	Description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	<p>On 23 November 2017, the Parent completed a private placement of 30,250,000 new shares with gross proceeds of USD 175 million. The Shares were issued at a subscription price of NOK 47.5 per share. Issuance of the shares was completed on 8 December 2017.</p> <p>On 24 November 2017, the Parent entered into purchase agreements (memoranda of agreements) for the acquisition of ten feeder container vessels with a total purchase price of USD 130 million.</p> <p>On 16 January 2018, the Parent converted into a public limited liability company (ASA). Under a resolution approved by the extraordinary general meeting of the Parent held on 16 January 2018, the board of directors is authorized to increase the Parent's share capital by up to NOK 163,132,500. The pre-emptive rights of the shareholders may be set aside by the board of directors. In addition, the board of directors is authorized to resolve to take up convertible loans with an aggregate principal amount of up to NOK 1,000,000,000. Upon conversion of loans taken up pursuant to this authorization, the Parent's share capital may be increased by up to NOK 163,132,500.</p> <p>As of 29 January 2018, the shares of the Parent are listed at Oslo Axess, Oslo Stock Exchange.</p> <p>On 30 January 2018, the Group entered into purchase agreements for the acquisition of two feeder container vessels with a total purchase price of USD 21.8 million.</p> <p>On 31 January 2018, the Group entered into a purchase agreement for the acquisition of a feeder container vessel with a purchase price of USD 10.5 million.</p> <p>On 2 February 2018, the Issuer completed a tap issue of USD 100 million in its senior secured bond facility.</p>																																																																	

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B.14	If the issuer is dependent upon other entities within the group, this must be clearly stated.	All business operations of the Issuer are carried out by the Issuer's subsidiaries. Therefore, the profit of the Issuer is dependent on the results of the operations of the Issuer's subsidiaries.
B.15	A description of the issuer's principal activities.	<p>The Issuer's principal business is to own and operate maritime assets in the container shipping segment. As a dedicated owner and operator of container ships, the Group has a focus on feeder vessels, mainly between 1,000 and 3,000 TEU, that are chartered out to liner shipping companies and regional carriers.</p> <p>Consequently, the Company's business comprises of the following activities:</p> <ul style="list-style-type: none"> <li>• invest in maritime assets (e.g. vessels, shares in companies owning vessels, loans secured by vessels);</li> <li>• commercially operate the acquired vessels in the charter market;</li> <li>• technically manage the acquired vessels; and</li> <li>• sale of maritime assets previously acquired.</li> </ul>
B.16	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control	The Issuer is controlled by the Parent.
B.17	Credit ratings assigned to the Issuer or its debt securities.	Not applicable. Neither the Issuer, the Guarantors nor the Bonds have been rated by an official rating agency.

### Section C Securities

Element	Disclosure requirements	Disclosure
C.1	Description of the securities, including ISIN code.	ISIN code NO0010805872. Senior Secured Callable bond issue. Issue date 22 September 2017, Maturity Date 22 September 2022. Floating interest rate, payable quarterly each year. The bonds mature in full at par on the Maturity Date. Issuer has call options. Bondholders have put option.
C.2	Currency of the securities issue.	USD
C.5	Any restrictions on the free transferability of the securities.	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <p>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.</p> <p>Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its</p>



		voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
C.8	Description of the rights attached to the securities, limitations to those rights and ranking of the securities.	<p><i>Put Option:</i></p> <p>Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “Put Option”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.0 per cent of the Nominal Amount.</p> <p>The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to the Bond Agreement Clause clause 12.3 (Put Option Event). Once notified, the Bondholders’ right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.</p> <p>Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above.</p> <p>If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased pursuant to the Bond Agreement Clause clause 10.3 (Mandatory repurchase due to a Put Option Event), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.</p> <p><i>Call option:</i></p> <p>The Issuer may redeem Bonds (in whole or in part) with settlement from and including:</p> <ul style="list-style-type: none"> <li>(i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;</li> <li>(ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.25% of the Nominal Amount;</li> <li>(iii) the Interest Payment Date falling 36 months after the Issue Date, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.50% of the Nominal Amount;</li> <li>(iv) the Interest Payment Date falling 42 months after the Issue Date, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101.75% of the Nominal Amount;</li> <li>(v) the Interest Payment Date falling 48 months after the Issue Date, but not including, the Interest Payment Date falling 54 months after the Issue Date at a price equal to 101.00% of the Nominal Amount; and</li> <li>(vi) the Interest Payment Date falling 54 months</li> </ul>

		<p>after the Issue Date to, but not including, the Maturity Date at a price equal to 100.25% of the Nominal Amount.</p> <p>In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds.</p> <p><i>Mandatory Redemption – Permitted Disposal:</i></p> <p>(a) Upon a Permitted Disposal occurring, the Issuer may (subject to the further terms and conditions set out under "Permitted Disposal") redeem Bonds with an amount equal to the Redemption Amount on the following prices:</p> <p>(i) the Issue Date to, but not including, the First Call Date at a price equal to 105.0% of the Nominal Amount;</p> <p>(ii) thereafter on the redemption prices as set out in the Bond Agreement clause 10.2 (Voluntary early redemption - Call Option),</p> <p>In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds. For the avoidance of doubt, the relevant redemption price shall be determined based on the date the Permitted Disposal occurred and not the date on which the prepayment is carried out.</p> <p>(b) Subject to paragraph (c) below, upon a Total Loss Event occurring, the Issuer shall as soon as insurance proceeds related to such Total Loss Event are available, and in any event no later than 180 days following the Total Loss Event, redeem the Bonds with an amount equal to the Redemption Amount at a price equal to 100.0% of the Nominal Amount, including accrued and unpaid interest on the redeemed Bonds.</p> <p>(c) No redemption of Bonds under paragraph (b) shall be required if the Issuer deposits the insurance proceeds on the Disposal Account and the application of such funds shall then be subject to the terms and conditions for funds credited to the Disposal Account.</p> <p>At the Bondholders' meeting each Bondholder has one vote for each bond he owns.</p> <p>Denomination: USD 1.00 - each and ranking pari passu among themselves.</p> <p>The Bonds will constitute senior debt obligations of the Issuer and shall be secured on a first-priority basis by the Security. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p>
C.9	Information about interest and representative of debt security holders.	<p>Coupon Rate is Reference Rate + Margin, where Reference Rate means 3 month LIBOR and Margin is + 4.75 percentage points per annum. Interest is payable each 22 March, 22 June, 22 September</p>

		<p>and 22 December in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. The first coming Interest Payment Date being 22 June 2018.</p> <p>The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.</p> <p>Upon the occurrence of a Put Option Event, each Bondholder shall have the right to require that the Issuer purchases all or some of the Bonds held by the Bondholder at a price equal to 101.0 per cent of the Nominal Amount.</p> <p>Dependent on the market price. On 20 March 2018 the yield is estimated to 6.95 % p.a.</p> <p>Nordic Trustee ASA (as the Bond Trustee) enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p>
C.10	If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation of how the value of the securities is affected by the value of the underlying instrument(s).	Not Applicable. There is no derivative component in the interest payment.
C.11	Indication as to whether the securities offered are or will be the object of an application for admission to trading.	An application for admission to trading on the Oslo Børs will be made once the Prospectus has been approved.

**Section D Risks**

<i>Element</i>	<i>Disclosure requirements</i>	<i>Disclosure</i>
D.2	Key information on the key risks that are specific to the issuer.	<p>The key risks relating to the Group and the industry in which it operates are the following:</p> <ul style="list-style-type: none"> <li>Shipping operations may be affected by conditions beyond the Group's control such as harsh weather, capsizing, groundings, collisions, engine problems, technical problems and navigation errors which may result in loss of or damage to the Group's vessels, damage to property and damage to the environment or persons. Such events may lead to the Group being held liable for substantial amounts by injured parties, their insurers and public governments.</li> <li>The container shipping industry is cyclical with attendant volatility in charter rates and profitability. No assurances can be made that the Group will be able to successfully employ its vessels in the future or renew existing employment agreements (including charters and pool agreements) at rates sufficient to allow it to meet its obligations.</li> <li>Due to the lack of diversification in the Group's lines of business, an adverse development in the Group's container business, or in the container shipping industry, generally would have a significant impact on the Group's business, financial condition and results of operations.</li> <li>The technical operation of a vessel has a significant impact on the vessel's economic life and technical risks will always be present. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses and other costs of the fleet owned by the Group and accordingly the</li> </ul>

		<p>potential realization values that can be obtained.</p> <ul style="list-style-type: none"> <li>• The Group will make investments in assets that are illiquid and not traded on any regulated market, and there can be no assurance that the Group will manage to achieve a successful realisation of its investments.</li> <li>• Any operational downtime of the Group's vessels or any failure to secure employment for any vessel at satisfactory rates will affect the Group's results. Furthermore, off-hire due to technical or other problems to any vessel could be materially disruptive to the Group's financial results.</li> <li>• The timing and costs of repairs on the Group's ships are difficult to predict with certainty, may be substantial and might not be covered by insurance. Large repair expenses and repair time may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.</li> <li>• Risks may arise for which the Group is not or not adequately insured. Any particular claim may not be paid or not paid in time by the Group's insurance and any claims covered by insurance would be subject to deductibles, the aggregate amount of which could be material.</li> <li>• The Group is reliant on the performance of ship managers. There can be no assurance that such ship management will operate successfully.</li> <li>• The Group is exposed to risks regarding the correct application of the tax regulations and possible changes in legal, tax and regulatory regimes within the relevant jurisdictions in which the Group operates may have an adverse effect on the Group.</li> <li>• The Group may require additional capital in the future due to unforeseen liabilities, repayment of financing obligations or in order to take advantage of business opportunities, among others. There can be no assurance that the Group will be able to obtain necessary financing in a timely manner on acceptable terms.</li> <li>• The Group may be unable to repay its financial obligations when they mature.</li> <li>• Charter hire is normally payable in USD and the value of the Group's vessels is normally denominated in USD. The Group's container vessels operate on a worldwide basis and, as a result, incur costs in currencies other than USD. Thus, currency fluctuations may affect both the Group's and consequently the investors' return, book value and value adjusted equity of subsidiaries in other currencies than USD.</li> <li>• Any changes in the interest rate would directly affect the returns on the financed investments. Interest rate levels can also indirectly affect the value of the assets at the point of sale, which will impact the value of the Group's portfolio.</li> <li>• The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks.</li> </ul>
D.3	Key information on the key risks that are specific to the securities.	<p>The key risks relating to the Bonds are the following:</p> <ul style="list-style-type: none"> <li>• Any changes in the underlying interest rate</li> </ul>

		<p>would directly affect the returns on the underlying investments. Interest rate levels can also indirectly affect the value of the assets at the point of sale. This will impact the value of the Issuer's portfolio.</p> <ul style="list-style-type: none"> <li>• Although the bonds are secured, there can be no assurance that the value of the Issuer's and Guarantors' assets will be sufficient to cover all the outstanding bonds together with accrued interest and expenses in case of a default</li> <li>• The Issuer will have a significant amount of debt after the issuance of the bonds.</li> <li>• Pursuant to the bond agreement, the Issuer may prepay bonds prior to their maturity date.</li> <li>• Upon the occurrence of a change of control, each individual bondholder has a right of prepayment of the bonds at a price of 101 per cent. of par value plus all accrued and unpaid interest to the date of the redemption.</li> <li>• Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates.</li> <li>• There is no existing market for the bonds, and there can be no assurance given regarding the future development of a market for the bonds and therefore, the liquidity of the bond and the volume it is traded in cannot be guaranteed.</li> <li>• The market price of the bonds may experience significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of bonds, as well as other factors</li> <li>• The bond terms will contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. The trustee may agree. Without the consent of the bondholder</li> </ul>
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**Section E Offer**

Section E Offer

Element	Disclosure requirements	Disclosure										
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	<div>Estimated total expenses related to the offer:<table><tr><th>External party</th><th>Cost</th></tr><tr><td>The Norwegian FSA</td><td>NOK 92,000</td></tr><tr><td>The stock exchange</td><td>NOK 52,680</td></tr><tr><td>The Bond Trustee, p.a.</td><td>NOK 250,000</td></tr><tr><td>The Joint Lead Managers</td><td>USD 3,800,000</td></tr></table></div> <div>The net proceeds from the initial issue amount shall be used solely towards financing (in whole or in part) of: general corporate purpose, additional vessel acquisition and any CAPEX requirements.</div>	External party	Cost	The Norwegian FSA	NOK 92,000	The stock exchange	NOK 52,680	The Bond Trustee, p.a.	NOK 250,000	The Joint Lead Managers	USD 3,800,000
External party	Cost											
The Norwegian FSA	NOK 92,000											
The stock exchange	NOK 52,680											
The Bond Trustee, p.a.	NOK 250,000											
The Joint Lead Managers	USD 3,800,000											
E.3	Description of the terms and conditions of the offer.	Not Applicable – The Bonds have not been subject to a public offer.										

E.4	Description of any interest that is material to the issue including conflicting interests.	<p>The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.</p> <p>The Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company and/or Guarantors in private and/or public placement and/or resale not publicly available or commonly known.</p> <p>The Securities Note included the Summary dated 23 March 2018 together with the Registration Document dated 23 March 2018 constitutes the Prospectus.</p>
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	Not Applicable – The investor of the Bonds were not charged any expenses due to the issuance of the Bonds.

## 2 Risk Factors

Investing in bonds issued by MPC Container Ships Invest B.V. (the “Issuer”) involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those related to the Issuer as set out in the Registration Document, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Registration Document, are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer’s business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 23 March 2018 and reach their own views prior to making any investment decision.

### **Risk related to the market in general**

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are five main risk factors that sum up the investors’ total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk, settlement risk, credit risk and market risk (both in general and issuer specific).

**Liquidity risk** is the risk that a party interested in trading bonds cannot do it because nobody in the market wants to trade the bonds. Missing demand for the bonds may result in a loss for the bondholder.

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

**Settlement risk** is the risk that the settlement of bonds does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

**Credit risk** is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest).

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

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

**Tax risk** are due to tax laws and regulations that are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates.

### **Risk related to the Bonds**

#### **Collateral risk**

Although the bonds are secured, there can be no assurance that the value of the Issuer’s and Guarantors’ assets will be sufficient to cover all the outstanding bonds together with accrued interest and expenses in case of a default. The Issuer will have a significant amount of debt after the issuance of the bonds.

#### **Refinancing risk**

The Issuer may in the future be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer’s ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time, and deterioration in the financial position of the Group. Such deterioration may reduce the Group’s ability to obtain any debt financing required to repay Bondholders at the time of the maturity of the Bonds. As a result, the Issuer’s access to financing sources at a particular time, may not be available on favourable terms, or at all. The

Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the Issuer's ability to repay amounts due under the Bonds.

***Risks related to early redemption***

Pursuant to the bond agreement, the Issuer may prepay bonds prior to their maturity date. The amount to be paid to each bondholder if such option is exercised is equal to their outstanding principal amount of the bonds, plus accrued and unpaid interest to the date of redemption and a premium calculated in accordance with the terms and conditions of the bond agreement. The call option mechanism may limit the market value of the bonds. The Issuer may be expected to redeem the bonds when its general cost of borrowing is lower than the interest rate on the bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest as high as the interest rate on the bonds and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Change of control– the Issuer's ability to redeem the bonds with cash may be limited***

The Issuer's ability to redeem the Bonds with cash may be limited. Upon the occurrence of a change of control event, each individual bondholder shall have a right of pre-payment of the Bonds as set out in the Bond Agreement. However, it is possible that the Issuer may not have sufficient funds to make the required redemption of Bonds, resulting in an event of default under the Bonds. The Issuer's failure to redeem tendered bonds would constitute an event of default under the bond agreement.

***There may only be a limited trading market for bonds***

There is no existing market for the bonds, and there can be no assurance given regarding the future development of a market for the bonds and therefore, the liquidity of the bond and the volume it is traded in cannot be guaranteed. This may apply even if the bonds are listed and there are no market-makers agreements in place or intended to be established in order to secure a liquid market for the bonds after the issue date.

***The market price of the bonds may be volatile***

The market price of the bonds may experience significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the bonds without regard to the Issuer's operating results, financial condition or prospects.

***Modifications to bond terms and waivers***

The bond terms will contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. The trustee may agree. Without the consent of the bondholders. To certain modifications to the bond terms and finance documents (as defined in the bond terms) which are, in the opinion of the bond trustee, proper to make. Such modifications, which will be binding upon the bondholders, will be described in the bond terms.



### **3 Persons Responsible**

#### ***3.1 Persons responsible for the information***

Persons responsible for the information given in the Securities Note are:

MPC Container Ships Invest B.V., Strawinskylaan 835 World Trade, 1077XX, Amsterdam.

#### ***3.2 Declaration by persons responsible***

**Responsibility statement:**

MPC Container Ships Invest B.V. confirms that, taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 23 March 2018

## 4 Detailed information about the securities

ISIN code:	NO0010805872
The Loan/The Reference Name/The Bonds:	"MPC Container Ships Invest B.V. FRN Senior Secured USD 200,000,000 bonds 2017/2022".
Borrower/Issuer/Company:	MPC Container Ships Invest B.V., registered in the Dutch Business Register with registration number RA000463.
Parent:	Means MPC Container Ships ASA, a Norwegian public limited liability company, incorporated and registered in Norway with registration number 918 494 316.
Group:	Means the Parent and its Subsidiaries from time to time, and a "Group Company" means any person which is a member of the Group.
Subsidiaries	The companies listed in the Registration Document section 7.1 and any future ship-owning companies owned by the Issuer.
Guarantors	The Parent and each of the Subsidiaries.
Security Type:	Callable Open Bond issue with floating interest rate.
Borrowing Limit – Tap Issue:	USD 200,000,000
Borrowing Amount:	USD 200,000,000 Borrowing Amount consists of first tranche USD 100,000,000 plus second tranche USD 100,000,000.
Denomination/Face Value – Each Bond:	USD 1.00 - each and ranking pari passu among themselves
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	22 September 2017 for tranche 1 and 13 February 2018 for tranche 2.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date for tranche 1 and 22 December 2017 for tranche 2.
Interest Bearing To:	Maturity Date.
Maturity Date:	22 September 2022.
Reference Rate:	LIBOR 3 months.
Margin:	4.75 % p.a.
Coupon Rate:	Reference Rate + Margin, equal to 6.99814 % p.a. for the interest period ending on 22 June 2018.
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	Means that if the last day of any interest period originally falls on a day that is not a Business Day, the interest period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the interest period will be shortened to the first preceding Business Day (Modified Following).
Interest Rate Determination Date:	20 December 2017 for the current period, and thereafter two Business Days prior to each Interest Payment Date.
Interest Rate Adjustment Date:	Coupon Rate determined on an Interest Rate Determination Date will be effective from and including the accompanying Interest Payment Date.

Interest Payment Date: Each 22 March, 22 June, 22 September and 22 December in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

The next Interest Payment Date being 22 June 2018.

#Days first term: 91 days (92 days for the current term).

Issue Price: 100 % (par value).

Yield: Dependent on the market price. On 20 March 2018 the yield is estimated to 6.95 % p.a.

The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» prepared by Norske Finansanalytikeres Forening in May 2015

([http://www.finansanalytiker.no/innhold/publikasjoner/NFF\\_Rentekonvensjon\\_mai\\_2015.pdf](http://www.finansanalytiker.no/innhold/publikasjoner/NFF_Rentekonvensjon_mai_2015.pdf))

Business Day: Means a day on which both the relevant CSD settlement system is open and the relevant Bond currency settlement system is open in Oslo, London and New York.

Call Option: (a) The Issuer may redeem Bonds (in whole or in part) with settlement from and including:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
- (ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.25% of the Nominal Amount;
- (iii) the Interest Payment Date falling 36 months after the Issue Date, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.50% of the Nominal Amount;
- (iv) the Interest Payment Date falling 42 months after the Issue Date, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101.75% of the Nominal Amount;
- (v) the Interest Payment Date falling 48 months after the Issue Date, but not including, the Interest Payment Date falling 54 months after the Issue Date at a price equal to 101.00% of the Nominal Amount; and
- (vi) the Interest Payment Date falling 54 months after the Issue Date to, but not including, the Maturity Date at a price equal to 100.25% of the Nominal Amount.

In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds.

- (b) Any redemption of Bonds pursuant to the Bond Agreement clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10), but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall publish the Make Whole Amount to the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Mandatory Redemption – Permitted Disposal: (a) Upon a Permitted Disposal occurring, the Issuer may (subject to the further terms and conditions set out under "Permitted Disposal") redeem Bonds with an amount equal to the Redemption Amount on the following prices:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to 105.0% of the Nominal Amount;
- (ii) thereafter on the redemption prices as set out in the Bond Agreement clause 10.2 (Voluntary early redemption - Call Option),

In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds. For the avoidance of doubt, the relevant redemption price shall be determined based on the date the Permitted Disposal occurred and not the

date on which the prepayment is carried out.

- (b) Subject to paragraph (c) below, upon a Total Loss Event occurring, the Issuer shall as soon as insurance proceeds related to such Total Loss Event are available, and in any event no later than 180 days following the Total Loss Event, redeem the Bonds with an amount equal to the Redemption Amount at a price equal to 100.0% of the Nominal Amount, including accrued and unpaid interest on the redeemed Bonds.
- (c) No redemption of Bonds under paragraph (b) shall be required if the Issuer deposits the insurance proceeds on the Disposal Account and the application of such funds shall then be subject to the terms and conditions for funds credited to the Disposal Account.

**Put Option:**

Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.0 per cent of the Nominal Amount.

The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to the Bond Agreement clause 12.3 (Put Option Event). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.

Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above.

If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased pursuant to the Bond Agreement clause 10.3 (Mandatory repurchase due to a Put Option Event), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

**Put Option Event:**

Means a Change of Control Event.

**Change of Control Event:**

Means:

- a) any person, or group of persons under the same Decisive Influence, or two or more persons acting in concert obtains Decisive Influence over the Parent, other than MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates; or
- b) a de-listing of the Parent's shares from the Merkur Market or another internationally recognized stock exchange (if applicable) that does not occur in connection with a listing of the Issuer's shares on another internationally recognized stock exchange,

PROVIDED that if MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates acquire Decisive Influence or even 100% of the shares in the Parent, and following such acquisition the shares of the Parent are de-listed as described in b) above, such de-listing shall not constitute a Change of Control Event as long as the Parent is listed on a reputable exchange simultaneously with a Merkur Markets delisting and remains listed until the Maturity Date.

**Bondholders:**

Means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to the Bond Agreement clause 3.3.

**Amortisation:**

The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100 %) by the Issuer.

**Redemption:**

Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

**Status of the Loan:**

The Bonds will constitute senior debt obligations of the Issuer and shall be secured on a first-priority basis by the Security. The Bonds will rank pari passu between

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

**Security:** Means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Guarantee:** Means the guarantee and indemnity granted pursuant to the Bond Agreement clause 2.5(b)(viii), meaning joint and several guarantees (Norwegian: "selvskyldnerkausjon") ("Guarantee") or similar under applicable law from each of the Guarantors, which shall constitute senior obligations of the Guarantors, plus any other guarantee given by a Guarantor in relation to the Finance Documents.

Finance Documents means the Bond Agreement, the Bond Trustee Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

There is a Guarantee Agreement between the Parent and the Bond Trustee, describing the terms and conditions of the guarantee. The Parent unconditionally and irrevocably guarantees to the Security Trustee, as and for its own debt as principal Obligor and not merely as a surety (Norwegian: "selvskyldnergaranti") the punctual performance of the Issuer's and the other Obligors' obligations under the Finance Documents, and agrees to pay, without any set-off or counterclaim whatsoever, on demand all amounts due and payable by the Issuer or any other Obligor under the Finance Documents, including amounts arising as a result of interests, default interests, costs and expenses.

The guarantee is limited to a maximum liability amount of USD 240,000,000, in addition to interest, costs and expenses. The Guarantee Agreement is not publicly available.

**Undertakings:** During the term of the Loan the Issuer shall comply with the covenants in accordance with the Bond Agreement clause 12 and 13, including but not limited to:

### 1. Issuer undertakings

The Issuer undertakes to at all times (and shall, where applicable, procure that the other Issuer Group Companies will) comply with the following undertakings:

#### (a) Distributions

The Issuer shall not, and shall ensure that no other Issuer Group Company will, make any Distribution other than a Permitted Distribution.

#### (b) Investments

The Issuer shall not, and shall ensure that no other Issuer Group Company will, acquire any company, shares, securities, business or undertaking (or any interest in any of them) or make any other investments or capital expenditures, other than solely related to the direct or indirect ownership in and operation, maintenance, and improvement of the Vessels.

#### (c) Single Purpose Company

The Issuer shall remain a single purpose company, conducting no other business than such activities naturally related to its ownership of the Vessel Owning Companies. The Vessel Owning Companies shall remain single purpose companies, conducting no other business than such activities naturally related to its ownership of the relevant Vessels, except for any such cease or change resulting from Permitted Disposals or Additional Vessel Acquisitions. The CV General Partners shall remain single purpose companies, conducting no other business than such activities naturally related to being the general partner of the relevant Vessel Owning Company.

#### (d) Ownership

The Issuer shall (save for any Ahrenkiel Ownership Interest and the interest of the relevant CV General Partner) remain the sole owner (directly and indirectly) of the Vessel Owning Companies and ensure that CV General Partners of the Vessel Owning Companies shall continue to directly hold legal title to and on behalf of the Vessel Owning Companies hold the entire beneficial interest in the respective Vessels, except for any such cease or change resulting from Permitted Disposals.

**(e) Continuation of business**

The Issuer shall not, and shall ensure that no other Issuer Group Company will, cease to carry on its business or change the general nature of its business from that carried on by the Issuer Group at the Issue Date, except for any such cease or change resulting from Permitted Disposals or Additional Vessel Acquisitions.

**(f) Mergers and de-mergers**

The Issuer shall not, and shall ensure that no other Issuer Group Company will, enter into any de-merger, merger or other corporate restructuring (except for any intra-Group reorganisation which would not have a Material Adverse Effect).

**(g) Disposals**

The Issuer shall not, and shall ensure that no other Issuer Group Company will, sell or dispose of any shares of any Vessel Owning Companies, the Vessels, or any assets that are pledged as Security for the Bond Issue, except for any disposals carried out as a Permitted Disposal, in which case, the funds paid into the Disposal Account shall remain pledged and blocked until they are employed (no later than 12 months thereafter following the relevant Permitted Disposal) as follows:

(i) towards Mandatory Prepayment (subject to a no less than 5 business days prior written notice to the Bondholders); or

(ii) towards financing (in whole or in part) of the acquisition of any replacement assets satisfying the conditions as set out under the definition of Additional Vessels clause (i)-(ii) and acquired at Market Value either externally or from another Group Company and over which new Security shall be granted,

after which any remaining funds on the Disposal Account if less than USD 1 million may be released to the Issuer Group.

**(h) Financial indebtedness restriction**

The Issuer shall not, and shall ensure that no other Issuer Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

**(i) Negative pledge**

The Issuer shall not, and shall ensure that no other Issuer 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 (including shares in Subsidiaries) or its revenues, other than the encumbrances granted to secure any of the following:

(i) the Permitted Financial Indebtedness; and

(ii) any lien arising by operation of law.

**(j) Financial support restriction**

The Issuer shall not, and shall ensure that no other Issuer Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of security) to or for the benefit of any third party or other Group Company, other than any Financial Support:

(i) granted under the Finance Documents; and

(ii) provided as a Group Loan between the Obligors.

**2. Vessel undertakings**

The Issuer (and/or each Group Company where applicable) shall procure that:

(a) the Vessels are operated by the Vessel Managers in all material respects in accordance with laws and regulations (and in compliance with all Norwegian, UK, EU (including each of the individual member states), US and UN sanctions regimes at all times) and good industry standards;

(b) no amendments, supplements, variations or waiver of any material terms of the Management Agreement to be made if any such amendment, supplement, variation or waiver would have a Material Adverse Effect;

(c) the Vessels shall maintain flag, class and remain registered in the International Shipping Register of Madeira or another ships registry acceptable to the Bond Trustee and in consistency with prudent ownership and good industry standards (and where the Bond Trustee shall be given notice of any changes to name, flag, class or registry of a Vessel prior to any such changes becoming effective);

(d) the Vessels and all relevant equipment related thereto are reasonably and

satisfactorily maintained at all times. During operation of the Vessels, the Issuer shall ensure that the Vessel Managers run proper maintenance of the Vessels and keep the Vessels in good and safe condition and repair consistent with prudent ownership and industry standards;

(e) insurance of the Vessels are taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction. Each of the Vessels shall be adequately insured against (A) Hull & Machinery risks at least covering the higher of (i) 100% of the Market Value of such Vessel and (ii) in respect of such Vessel, together with the Hull & Machinery cover for the other Vessels, 120% of the principal amount of Outstanding Bond Amount (less the amount standing to the credit of the Escrow Account) at any time, taking into account the aggregated value of all Vessels, (B) third party liability as per industry standards (P&I), (C) war risk (including expropriation risk) as per industry standards, and (D) any additional insurances required under law or any charter contract. Also, for the benefit of the Bond Trustee, the Issuer shall keep a Mortgagee Interest Insurance (“MII”) and Mortgagee Additional Perils Insurance (“MAPI”) or similar insurance; and

(f) upon request of the Bond Trustee, arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee, to undertake a technical inspection of the Vessels without interference of the daily operation of the Vessels and at the expense of the Issuer (however limited to maximum one yearly inspection per Vessel unless an Event of Default has occurred and is continuing).

### 3. Financial covenants

- (a) The Issuer shall, at all times, comply with the following:
  - (i) the Vessel LTV Ratio shall not exceed 75.0%; and
  - (ii) maintain a minimum Liquidity on a consolidated Issuer Group basis (the “Minimum Liquidity”) in an amount of no less than the USD equivalent of 5.0% of the Financial Indebtedness of the Issuer Group.
- (b) The Equity Ratio of the Group shall at all times be higher than 40% (the “Minimum Equity Ratio”).

The Issuer shall comply (or procure the compliance) with these Financial Covenants at all times, and:

- (c) the Minimum Liquidity and Minimum Equity Ratio shall be reported by the Issuer and the Parent (as relevant) on each Quarter Date supported by a Compliance Certificate to be delivered to the Bond Trustee in connection with each quarterly financial statement on the respective Reporting Dates; and
- (d) the Vessel LTV Ratio shall be reported by the Issuer semi-annually on the relevant Calculation Date, and certified by the Issuer in a compliance certificate to be delivered to the Bond Trustee no later than 30 days after the relevant Calculation Date.

### 4. Vessel LTV Ratio Covenant Cure

- (a) If the Issuer fails (or would otherwise fail) to comply with the Vessel LTV Ratio at any time and the Issuer prior to the relevant Reporting Date has provided either:
  - (i) a Cure Vessel and security in respect of such Cure Vessel along the principles applicable to the Vessels (re. “Security” above); or
  - (ii) cash collateral deposited on a bank account pledged on first priority and blocked in favour of the Bond Trustee (on behalf of the Bondholders) bridging the value shortfall, then:
- (b) if a Cure Vessel is provided, the Vessel LTV Ratio shall be recalculated on the basis that the Market Value of such Cure Vessel shall be deemed to increase the total aggregate Market Value of the Vessels for the relevant period to which the (expected) breach relates, and
- (c) if cash collateral is provided and for as long as such cash collateral remains in place, the Outstanding Bond Amount shall, for the purpose of the Vessel LTV Ratio only, be deemed to be reduced by the amount of the cash collateral so provided.

If, after the Vessel LTV Ratio is recalculated as set out above, the breach has been prevented or cured, the Vessel LTV Ratio shall be deemed to have been satisfied on the date of the relevant Reporting Date.

If a Cure Vessel or cash collateral has been provided in accordance with this Vessel LTV Ratio Covenant Cure, the security arrangement or relevant cash deposit amount shall be released by the Bond Trustee at the request of the Issuer, if on the next relevant Reporting Date pertaining to the ensuing semi-annual Vessel LTV Ratio measurement the Vessel LTV Ratio will be fully satisfied following any such release.

(See chapter 1 in the Bond Agreement for definitions)

Guarantors: The Parent and each of the Subsidiaries.

Listing: The Issuer shall apply for listing of the Bonds on Oslo Børs.

Purpose/Use of proceeds:

- (a) The Issuer will use the net proceeds from the Initial Issue Amount solely towards financing (in whole or in part) of:
  - (i) general corporate purposes of the Issuer Group with an amount up to USD 20 million; and
  - (ii) Additional Vessel Acquisitions by any Issuer Group Companies in the manner set forth below:
    - (A) an amount up to the Transaction Value of any relevant Additional Vessel Acquisition, together with;
    - (B) an amount of up to USD 1 million to cover the working capital requirements pertaining to such Additional Vessel, and
    - (C) any CAPEX requirements according to a detailed CAPEX budget provided by the Issuer to the Bond Trustee pertaining to such Additional Vessel in respect of any initial investments, any upgrade and/or drydocking, in each case to be completed within 12 months.
- (b) The net proceeds from any Tap Issue shall, always subject as aforesaid, be applied exclusively towards financing (in whole or in part) of Additional Vessel Acquisitions by any Issuer Group Companies (except as permitted in the final paragraph of “Escrow Account” in the Bond Agreement).
- (c) If, at any time, the amount standing to the credit of the Escrow Account is less than USD 2 million and such amount has been standing to the credit of the Escrow Account for more than 3 months, such amount shall freely be released to the Issuer and applied for general corporate purposes of the Issuer Group.

The Parent contributed equity to the Issuer in order to finance vessel acquisition.

Estimated total expenses related to the offer:

External party	Cost
The Norwegian FSA	See “Estimate of total expenses related to the admission to trading” below
The stock exchange	See “Estimate of total expenses related to the admission to trading” below
The Bond Trustee, p.a.	NOK 250,000
The Joint Lead Managers	USD 3,800,000

The net proceeds from the Bonds shall be used for general corporate purposes.

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

Approvals: The Bonds were issued in accordance with the approval of the Issuer’s Board of



Directors dated 20 September 2017.

The Norwegian FSA has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act (see Important notice on page 2 for duties and responsibility of the Norwegian FSA).

The Norwegian FSA has approved the Prospectus by e-mail 6 April 2018.

The prospectus has also been sent to the Oslo Børs ASA for control in relation to a listing application of the bonds.

**Bond Agreement/  
Bond Terms:**

The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.

When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.

The Bond Agreement is attached as Appendix 1 to this Securities Note. The Bond Agreement is also available through the Bond Trustee, the Joint Lead Managers or from the Borrower.

**Addendum no. 1:**

Addendum to the Bond Agreement prepared for the purpose of amending the definitions of the Borrowing Amount, the Change of Control Event and the Parent.

**Bondholders' meeting:**

At the Bondholders' meeting each Bondholder may cast one vote for each voting bond owned at the relevant record date.

In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting. See also clause 15.4 in the Bond Agreement.

Resolutions shall be passed by simple majority of the votes at the Bondholders' meeting, however, a majority of at least 2/3 of the voting bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of the Bond Agreement.

(For more details, see also Bond Agreement clause 15)

**Bond Trustee/  
Security Trustee:**

Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.

The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond Agreement and applicable laws and regulations which are relevant to the terms of the Bond Agreement, including supervision of timely and correct payment of principal or interest (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond Agreement.

(For more details, see also Bond Agreement clause 16)

**Joint Lead Managers:**

DNB Bank ASA, DNB Markets, P.O. Box 1600 Sentrum, N-0191 Oslo, Norway, and Fearnley Securities AS, P.O. Box 1158 Sentrum, NO-0107 Oslo, Norway

**Paying Agent:**

DNB Bank ASA, Verdipapirservice, P.O. Box 1600 Sentrum, N-0191 Oslo, Norway.

The Paying Agent is in charge of keeping the records in the Securities Depository.

**Calculation Agent:**

The Bond Trustee.

**Securities Depository/CSD:**

The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.

On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository ("VPS"), P.O. Box 4, 0051 OSLO.

**Restrictions on the free** The Bonds are freely transferable and may be pledged, subject to the following:

## transferability:

Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

## Market-Making:

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

## Prospectus:

The Registration Document dated 23 March 2018 and this Securities Note with Summary dated 23 March 2018.

## Registration Document:

A document describing the Issuer, the Parent and the Guarantors.

## Securities Note:

This document dated 23 March 2018.

## Summary:

A summary of the Prospectus.

Estimate of total expenses  
related to the admission to  
trading:

Prospectus fee (NFSA) Registration Document NOK 60,000  
Prospectus fee (NFSA) Securities Note NOK 16,000  
Prospectus fee (NFSA) specialist issuer NOK 16,000  
Listing fee 2018 (Oslo Børs): NOK 34,960 (at NOK 8.00 per USD)  
Registration fee (Oslo Børs): NOK 17,720

Legislation under which the  
Securities have been created:

Norwegian law.

## Fees and Expenses:

The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

## 5 Additional Information

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated DNB Bank ASA and Fearnley Securities AS as Joint Lead Managers for the issuance of the Loan. The Joint Lead Managers have acted as advisor to the Issuer in relation to the pricing of the Loan.

**Statement from the Joint Lead Managers:**

DNB Bank ASA and Fearnley Securities AS have assisted the Borrower in preparing the prospectus. The Joint Lead Managers has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 23 March 2018

DNB Bank ASA  
([www.dnb.no](http://www.dnb.no))

Fearnley Securities AS  
([www.fearnleysecurities.no](http://www.fearnleysecurities.no))

**Listing of the Loan:**

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date. Each bond is negotiable.

## **6 Appendix 1: Bond Agreement and Addendum no. 1**

**BOND TERMS**

for

**MPC Container Ships Invest B.V. FRN  
Senior Secured USD 200,000,000 bonds 2017/2022**

**ISIN NO0010805872**

*[www.bahr.no](http://www.bahr.no)*

## CONTENTS

Clause	Page
1. INTERPRETATION .....	2
2. THE BONDS .....	17
3. THE BONDHOLDERS .....	19
4. ADMISSION TO LISTING .....	20
5. REGISTRATION OF THE BONDS .....	20
6. CONDITIONS FOR DISBURSEMENT .....	20
7. REPRESENTATIONS AND WARRANTIES.....	26
8. PAYMENTS IN RESPECT OF THE BONDS .....	28
9. INTEREST.....	30
10. REDEMPTION AND REPURCHASE OF BONDS .....	31
11. PURCHASE AND TRANSFER OF BONDS.....	33
12. INFORMATION UNDERTAKINGS .....	33
13. GENERAL AND FINANCIAL UNDERTAKINGS .....	35
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS .....	39
15. BONDHOLDERS' DECISIONS.....	42
16. THE BOND TRUSTEE.....	46
17. AMENDMENTS AND WAIVERS .....	51
18. MISCELLANEOUS .....	51
19. GOVERNING LAW AND JURISDICTION.....	53

SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE - ESCROW ACCOUNT

SCHEDULE 3 INITIAL VESSEL AND VESSEL OWNING COMPANY

<b>BOND TERMS</b>	
<b>ISSUER:</b>	MPC Container Ships Invest B.V., a company existing under the laws of the Netherlands with corporate seat in Amsterdam and with registration number 69545103.
<b>BOND TRUSTEE:</b>	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624.
<b>DATED:</b>	20 September 2017
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

## 1. INTERPRETATION

### 1.1 Definitions

The following terms will have the following meanings:

**"Additional Bonds"** means Bonds issued under a Tap Issue.

**"Additional Vessel Acquisitions"** means the acquisition(s) by an Issuer Group Company of Additional Vessel(s), including Vessels(s) initially acquired by a Group Company outside of the Issuer Group, provided that such Vessel or Vessel Owning Company is transferred to the relevant Issuer Group Company within 60 calendar days after the relevant Group Company's initial purchase and on terms and conditions, hereunder the Transaction Value, no less attractive than the initial purchase as described and confirmed by the Issuer in writing to the Bond Trustee.

**"Additional Vessels"** means any container vessel(s) (excluding, for the avoidance of doubt, the vessels set out in Schedule 3 part B) which may be acquired by the Issuer Group, provided that such vessel(s):

- (a) will be 100% (save for any Ahrenkiel Ownership Interest) owned by an Issuer Group Company following such acquisition; and
- (b) have a TEU capacity above 950.

**"Adjusted Net Profit"** means the Issuer Group's net profit after tax according to the latest Financial Report, after adding back or deducting, as the case may be, the amount of:

- (A) any loss or gain against book value arising from any Permitted Disposal;
- (B) any loss or gain against book value arising from any Total Loss Event including insurance proceeds resulting from such Total Loss Event; and
- (C) any appreciation made on the Vessels.

**"Affiliate"** means, in relation to any specified person:

- (A) any person which is a Subsidiary of the specified person;

- (B) any person who has Decisive Influence over the specified person (directly or indirectly); and
- (C) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

**"Ahrenkiel Ownership Interest"** means an ownership interest of no more than 0.1 per cent. held by Ahrenkiel Steamship GmbH & Co. KG or its Subsidiaries in each of the Vessel Owning Companies.

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

**"Approved Shipbroker"** means any of Affinity (Shipping), Barry Rogliano Salles International, Braemar Shipping Services, Clarksons, Howe Robinson, Maersk Broker and Walter J. Hinneberg and any independent reputable ship broker nominated by the Issuer and approved by the Bond Trustee from time to time.

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

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

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

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

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

**"Bondholders' Meeting"** means a meeting of Bondholders as set out in Clause 15.

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

**"Book Equity"** means the aggregate book equity (on a consolidated basis) of the Group, calculated in accordance with IFRS.

**"Business Day"** means a day on which both the relevant CSD settlement system is open and the relevant Bond currency settlement system is open, being in Oslo and New York, and on which Bank of England is open.

**"Business Day Convention"** means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first



following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).

**"Call Option"** has the meaning given to it in Clause 10.2 (Voluntary Redemption - Call Option).

**"Call Option Repayment Date"** means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (Voluntary early redemption - Call Option), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**"Calculation Date"** means a date for calculating the Vessel LTV Ratio (i) falling semi-annually on 31 December and 30 June each year for ongoing reporting purposes, and (ii) as may be required to conduct a Tap Issue Test.

**"CSD"** means the central securities depository in which the Bonds are registered, being VPS ASA.

**"Change of Control Event"** means:

- (A) any person, or group of persons under the same Decisive Influence, or two or more persons acting in concert obtains Decisive Influence over the Parent, other than MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates; or
- (B) a de-listing of the Parent's shares from the Merkur Market or another internationally recognized stock exchange (if applicable) that does not occur in connection with a listing of the Issuer's shares on another internationally recognized stock exchange,

PROVIDED that if MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates acquire Decisive Influence or even 100% of the shares in the Parent, and following such acquisition the shares of the Parent are de-listed as described in b) above, such de-listing shall not constitute a Change of Control Event as long as the Parent is listed on a reputable exchange simultaneously with a Merkur Markets delisting and remains listed until the Final Maturity Date.

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

**"Cure Vessel"** means an otherwise unencumbered vessel (other than a Vessel) in respect of which a first priority mortgage is provided by the Group in favour of the Bond Trustee as additional security as per Clause 13.5.

**"Decisive Influence"** means a person having, as a result of an agreement and/or through the direct and/or indirect ownership of shares and/or other ownership interests in another person:

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

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

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

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

**"Disposal Account"** means an account pledged on first priority and blocked in favour of the Bond Trustee as per Clause 13.2 (g).

**"Distribution"** means any:

- (A) payment of dividend on shares;
- (B) repurchase of own shares,
- (C) redemption of share capital, repayment of Group Loans or other restricted equity with repayment to shareholders, or
- (D) any other similar distribution or transfers of value to the direct and indirect shareholders of any Group Company or the affiliates of such direct and indirect shareholders, save for Group Loans contributed to an Issuer Group Company in connection with an Additional Vessel Acquisition, provided that such Group Loan is repaid within 60 days by an equity injection in the Issuer or drawdown under the Bond Issue pursuant to documentation that the post drawdown Vessel LTV Ratio will be less than 50%.

**"Dutch Obligor"** means an Obligor incorporated under the laws of the Netherlands.

**"Escrow Account"** means an account in the name of the Issuer, pledged and blocked on first priority as security for the Issuer's obligations under the Finance Documents.

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

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

**"Exchange"** means:

- (A) Oslo Børs; or
- (B) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

**"Equity Ratio"** means the Book Equity divided by Total Assets

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

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

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS as applicable at the Issue Date, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (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 marked to market value shall be taken into account);
- (H) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (I) any amount paid up or credited as paid up on any redeemable share capital; and
- (J) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (I) above.

**“Financial Report”** means the Annual Financial Statements and/or the Interim Accounts (as relevant).

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

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

**“CV General Partner”** means each of (i) AS Laetitia OpCo B.V., (ii) AS Laguna OpCo B.V., (iii) AS Fatima OpCo B.V., (iv) AS Fiona OpCo B.V., (v) AS Fortuna OpCo B.V., (vi) AS Angelina OpCo B.V., (vii) AS Paulina OpCo B.V., (viii) AS Petronia OpCo B.V., (ix) AS Constantina OpCo B.V., (x) AS Clara OpCo B.V., (xi) AS Floretta OpCo B.V., (xii) AS Faustina OpCo B.V., (xiii) AS Fabrizia OpCo B.V., (xiv) AS Fiorella OpCo B.V. and (xv) AS Columbia OpCo B.V.

**"Government Bond Rate"** means the interest rate of debt securities instruments issued by the government of the jurisdiction issuing the currency of the Bonds on the day falling two Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to Clause 10.2(c).

**"Group"** means the Parent and its Subsidiaries from time to time.

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

**"Group Loan"** means any loan granted (or to be granted) by a Group Company to an Issuer Group Company. Group Loans shall be fully subordinated (including with a maturity date falling after repayment of the Bond Issue and no payment of principal) to all amounts owed under the Bond Issue pursuant to a subordination and turnover agreement acceptable to the Bond Trustee, provided that interest on Group Loans may be paid subject to the interest rate being on marketable terms and no Event of Default being outstanding). All Group Loans granted to any of the Obligors shall be assigned on a first priority basis in favour of the Bond Trustee (on behalf of the Bondholders) as security for the obligations under the Finance Documents. For the avoidance of doubt, no Issuer Group Company may grant loans to a Group Company outside of the Issuer Group.

**"Guarantee"** means the guarantee and indemnity granted pursuant to Clause 2.5(b)(viii) and any other guarantee given by a Guarantor in relation to the Finance Documents.

**"Guarantor"** means the Parent, each of the Vessel Owning Companies and each CV General Partner.

**"IFRS"** means International Financial Reporting Standards, and guidelines and interpretations issued thereto by the International Accounting Standards Board (or any successor thereof), in force from time to time.

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

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

**"Initial Issue Amount"** means USD 100,000,000.

**"Initial Vessels"** means:

- (A) the container vessels owned by the Issuer Group Companies as set out in Schedule 3 part A; and
- (B) the container vessels acquired as at the date of these Bond Terms, but to be delivered to Issuer Group Companies within 60 days after the Issue Date, as set out in Schedule 3 part B.

**"Insolvent"** means that a person:

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

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

**“Interest Payment Date”** means the last day of each Interest Period, the first Interest Payment Date being 22 December 2017 and the last Interest Payment Date being the Maturity Date.

**“Interest Period”** means, subject to adjustment in accordance with the Business Day Convention, the period between 22 December, 22 March, 22 June and 22 September each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**“Interest Rate”** means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

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

**“Interim Accounts”** means the unaudited consolidated quarterly financial statements of the Parent and Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with IFRS in the English language and include a profit and loss statements, a cash flow statement, and a balance sheet statement on a consolidated basis for the relevant period and, in addition to the foregoing, a management commentary by the Parent with respect to the Parent’s Interim Accounts. **“ISIN”** means International Securities Identification Number - the identification number of the Bonds.

**“Issue Date”** means 22 September 2017.

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

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

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

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

**“Liquidity”** means the free and unencumbered consolidated cash balance of the Issuer Group as defined in accordance with IFRS (including for the avoidance of doubt amounts standing to the credit of accounts which have been pledged in favour of the Bond Trustee on behalf of the Bondholders, but not including any amounts standing to the Issuer’s credit on the Escrow Account).

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

(A) the present value on the Call Option Repayment Date of 103,25% of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and

- (B) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation), and where the interest rate applied for the remaining interest payments shall equal the Mid-Swap Rate plus the Margin (however so that the interest rate can never fall below the Margin).

**“Management Agreements”** means any agreement from time to time entered into with the Vessel Managers for technical and operational management of the Vessels, which shall be on market terms and with customary termination and subordination provisions, provided that no subordination is required if a Vessel Manager is a non-related entity.

**“Managers”** means;

- (a) DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, 0021 Oslo, Norway; and
- (b) Fearnley Securities AS, Grev Wedels Plass 9, NO-0151 Oslo, Norway.

**“Mandatory Prepayment”** means that prepayment of Bonds made in accordance with clause 10.4.

**“Margin”** means 4.75 per cent.

**“Market Value”** means the fair market value of the Vessels and, if relevant, of any Cure Vessel, in USD, determined as the arithmetic mean of independent valuations of the Vessels obtained from two Approved Shipbrokers. Such valuation shall be made 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. The cost of such determination shall be for the account of the Issuer. The valuation shall be made at least semi-annually on each Calculation Date, or following an Event of Default, upon the request of the Bond Trustee.

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

- (A) the ability of the Obligors to perform and comply with their obligations under any of the Finance Documents; or
- (B) the validity or enforceability of any of the Finance Documents.

**“Maturity Date”** means 22 September 2022, adjusted according to the Business Day Convention.

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

**“Mid-Swap Rate”** means the linearly interpolated Reference Rate in the currency of the Bonds for the actual period on the day falling two Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to Clause 10.2(c), or, if such is not

quoted, the mid-swap rate for the leading banks in the relevant interbank market, based on the last quoted Reference Rate or mid-swap rate in the currency of the Bonds for the actual period.

**“Minimum Liquidity”** shall have the meaning ascribed to such term in Clause 13.4.

**“Minimum Equity Ratio”** shall have the meaning ascribed to such term in Clause 13.4.

**“MPC Group”** means MPC Münchmeyer Petersen & Co. GmbH and MPC Münchmeyer Petersen Capital AG and any legal or physical person which is directly or indirectly controlled by them or which is jointly controlled by shareholders of MPC Münchmeyer Petersen Capital AG.

**“Nominal Amount”** means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 10 (Redemption and repurchase of Bonds).

**“Obligor”** means the Issuer and any Guarantors and any other company granting Security for the Bonds.

**“Outstanding Bond Amount”** means the Outstanding Bonds multiplied with the Nominal Amount.

**“Outstanding Bonds”** means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.

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

**“Parent”** means MPC Container Ships AS, a Norwegian limited liability company, incorporated and registered in Norway with registration number 918 494 316.

**“Paying Agent”** means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

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

**“Permitted Distribution”** means:

- (A) a Distribution by an Issuer Group Company, if such Distribution is made by one Issuer Group Company to another Issuer Group Company;
- (B) subject to the Vessel LTV Ratio being below 50% (tested pro-forma after any Permitted Distribution):
  - (i) a Distribution by the Issuer (distributed at the earliest in 2018) provided that the Distribution does not (when aggregated with any previous Distributions pursuant to this paragraph (B)(i)) exceed 75% of the Issuer’s aggregated consolidated Adjusted Net Profit for the previous calendar year (and where any unutilized portion of such Adjusted Net Profit may not be carried forward);

- (ii) a Distribution by the Issuer, following a Permitted Disposal, in an amount not exceeding (a) the amount of the relevant Transaction Value received as a result of such disposal, less (b) any amounts prepaid in accordance with the relevant prepayment provisions of any Financial Indebtedness and (c) any transaction and tax cost payable by the Issuer Group in connection with such disposal; or
- (iii) a Distribution by the Issuer, following a Total Loss Event, in an amount not exceeding the (a) insurance proceeds received as a result of such Total Loss Event, less (b) any amounts prepaid in accordance with the relevant prepayment provisions of any Financial Indebtedness and (c) any cost payable by the Issuer Group in connection with such Total Loss Event.

**“Permitted Disposal”** means any sale or disposal of a Vessel (or as the case may be, the shares of a Vessel Owning Company) to any third party that is not a member of the Group, provided however, that any such sale or disposal shall only constitute a Permitted Disposal if the Transaction Value received from a Permitted Disposal is paid directly into a Disposal Account for further application as set out in Clause 13.2(g).

**“Permitted Financial Indebtedness”** means (always subject to compliance with the relevant Financial Covenants) any financial indebtedness incurred by any Issuer Group Company under:

- (A) this Bond Issue and the Finance Documents;
- (B) existing and future bid-, payment- and performance bonds, newbuilding or other guarantees and letters of credit related to the operation or employment of the Vessels in the ordinary course of business;
- (C) interest rate hedging agreements relating to any Permitted Financial Indebtedness;
- (D) Group Loans; and
- (E) not otherwise permitted above which at any time in aggregate does not exceed USD 5 million (or its equivalent in other currencies) and which is incurred in the ordinary course of business.

**“Put Option”** shall have the meaning ascribed to such term in Clause 10.3 (Mandatory repurchase due to a Put Option Event).

**“Put Option Event”** means a Change of Control Event.

**“Put Option Repayment Date”** means the settlement date for the Put Option Event pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event).

**“Quarter Date”** means each 31 March, 30 June, 30 September and 31 December.

**“Reference Rate”** shall mean LIBOR (London Interbank Offered Rate) being the interest rate which (a) is published on Reuters Screen LIBOR01 Page (or through another system or on another website replacing the said system or website respectively) approximately 11.00 a.m. (London time) on the Interest Quotation Day and for a period comparable to the



relevant Interest Period, or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of commercial banks on the interbank market in New York City or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the opinion of the Bond Trustee and the Issuer is equal to what is offered to commercial banks in the New York city interbank market, for the relevant Interest Period. If any such rate is below zero, LIBOR will be deemed to be zero.

**“Redemption Amount”** means an amount calculated as follows:

*the higher of the the (i) Market Value and the (ii) Transaction Value of the relevant Vessel(s)*

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*the aggregate Market Value of all the Vessels*

multiplied with the Outstanding Bond Amount.

In the above calculation of the Redemption Amount, the following principles shall be applied:

- (A) the calculation shall be made as per a calculation date determined by the Issuer, falling no earlier than 5 business days prior to the Issuer giving notice of the relevant Mandatory Prepayment;
- (B) the Market Value of the Vessel(s) disposed shall be the most recent Market Value of such Vessel prior to its Permitted Disposal; and
- (C) the Market Value of all the Vessels shall be the sum of:
  - (i) the Market Value of all the Vessels at the time of the calculation, based on valuations dated no earlier than 20 business days prior to the date as of which the Redemption Amount is calculated; and
  - (ii) the value of the Vessel disposed, as calculated in the numerator of the fraction above

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

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

- (A) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (B) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders’ Meeting being held, or another date as accepted by the Bond Trustee; and
- (C) for the purpose of casting a vote in a Written Resolution:
  - (i) the date falling 3 Business Days after the Summons have been published; or

- (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

**“Repayment Date”** means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

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

**“Secured Parties”** means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

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

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

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

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

**“Subsidiary”** means an entity over which another entity or person has Decisive Influence.

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

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

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

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

**“Tap Issue Test”** means

- (A) Tap Issue Test A: The Vessel LTV Ratio is below 50%.
- (B) Tap Issue Test B: The Parent, in connection with the Tap Issue, provides the Issuer Group with cash equity funding in an amount of no less than 1.5 times the aggregate Nominal Amount of the Bonds to be issued through such Tap Issue in connection with Additional Vessel Acquisitions.

The Tap Issue Test is met if no Event of Default is outstanding and the Issuer meets the requirements of either Tap Issue Test A or Tap Issue Test B.

The calculation of the Vessel LTV Ratio in accordance with the Tap Issue Test A above shall be made as per a testing date determined by the Issuer, falling no earlier than 10 business days prior to the relevant Tap Issue Date, according to the following principles:

- (A) the aggregated Market Value of the Vessels employed in the calculation shall be based on valuations dated no earlier than 15 business days prior to the relevant Tap Issue Date;
- (B) the net proceeds to be deposited into the Escrow Account from such relevant Tap Issue shall be included.

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

**"Total Assets"** means the aggregate total book assets (on a consolidated basis) of the Group, calculated in accordance with IFRS.

**"Total Loss Event"** means an actual or constructive total loss of any of the Vessels.

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

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

**"Transaction Value"** means:

- (A) in connection with a Permitted Disposal of a Vessel, the actual sales price net of transaction cost and tax received by the relevant Issuer Group Company from the relevant Permitted Disposal; or
- (B) in connection with an Additional Vessel Acquisition, the actual purchase price including direct transaction cost paid by the relevant Issuer Group Company.

**"Vessel LTV Ratio"** means the ratio of the Outstanding Bond Amount, less any amount standing to the Issuer's credit on the Escrow Account, to the sum of:

- (A) the total aggregate Market Value of the Vessels (which, in relation to an Additional Vessel, shall be deemed to equal the relevant Transaction Value of any such Vessel at the time of acquisition and for a period of 60 days thereafter, after which the value of such Vessel shall be determined as the Market Value); and
- (B) any free Liquidity within the Issuer Group.

**"Vessel Manager"** means MPC Container Ships AS, Ahrenkiel Steamship GmbH & Co. KG, Rickmers Shipmanagement GmbH & Cie. KG, Columbia Ship Management and CONTCHART

Hamburg Leer GmbH & Co. KG (each with right to subcontract) or their subsidiaries as well as such other reputable ship manager as approved by the Parent's Board (and where written notice shall be sent to the Bond Trustee prior to any change of the Vessel Manager).

**"Vessel Owning Companies" mean:**

- (i) the Issuer Group Companies set out in Schedule 3 part A and Schedule 3 part B hereto, being the 100% direct owners of the Initial Vessels;
- (ii) any Issuer Group Company being or becoming the owner of an Additional Vessel,

(each a **"Vessel Owning Company"**), provided, for the avoidance of doubt, that any such Vessel Owning Company disposed of through a Permitted Disposal shall be excluded from the date of closing of any such Permitted Disposal.

**"Vessels"** means the Initial Vessels and any Additional Vessels (each a **"Vessel"**) (provided, for the avoidance of doubt, that any Vessel divested through a Permitted Disposal shall be excluded).

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

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

## **1.2 Construction**

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of "law" is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "regulation" includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a "person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;

- (h) references to Bonds being “redeemed” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “purchased” or “repurchased” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (Issuer’s purchase of Bonds).
- (j) references to persons “acting in concert” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “continuing” if it has not been remedied or waived.

### 1.3 Dutch Terms

In these Bond Terms, where it relates to a Dutch entity, a reference to:

- (a) unless a contrary indication appears, a “**director**”, in relation to a Dutch Obligor, means a managing director (*bestuurder*) and “**board of directors**” means its managing board (*bestuur*);
- (b) a “**necessary action to authorise**” where applicable, includes without limitation:
  - (i) any action required to comply with the Dutch Works Councils Act (*Wet op de ondernemingsraden*); and
  - (ii) obtaining an unconditional positive advice (*advies*) from the competent works council(s);
- (c) “**Security**” includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (d) a “**winding-up**”, “**administration**” or “**dissolution**” includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
- (e) a “**moratorium**” includes *surseance van betaling* and *noodregeling* and “**a moratorium is declared**” or “**occurs**” includes *surseance verleend* and *noodregeling uitgesproken*;
- (f) any “**step**” or “**procedure**” taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Dutch 1990 Tax Collection Act (*Invorderingswet 1990*) (whether or not pursuant to section 60 of the Act on the Financing of Social Insurances (*Wet financiering sociale verzekeringen*));
- (g) a “**liquidator**” includes a *curator*;
- (h) an “**administrator**” includes a *bewindvoerder*; and
- (i) an “**attachment**” includes a *beslag*.

## **2. THE BONDS**

### **2.1 Amount, denomination and ISIN of the Bonds**

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 200,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 100,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (Tap Issues) are met, at one or more occasions (each a “**Tap Issue Date**”) issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue.
- (b) Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).
- (c) The Bonds are denominated in USD; US Dollars (USD), being the legal currency of the United States of America.
- (d) The Initial Nominal Amount of each Bond is USD 1.00.
- (e) The ISIN of the Bonds is NO 001.080587.2. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

### **2.2 Tenor of the Bonds**

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

### **2.3 Use of proceeds**

- (a) The Issuer will use the net proceeds from the Initial Issue Amount solely towards financing (in whole or in part) of:
  - (i) general corporate purposes of the Issuer Group with an amount up to USD 20 million; and
  - (ii) Additional Vessel Acquisitions by any Issuer Group Companies in the manner set forth below :
    - (A) an amount up to the Transaction Value of any relevant Additional Vessel Acquisition, together with;
    - (B) an amount of up to USD 1 million to cover the working capital requirements pertaining to such Additional Vessel, and
    - (C) any CAPEX requirements according to a detailed CAPEX budget provided by the Issuer to the Bond Trustee pertaining to such Additional Vessel in respect of any initial investments, any upgrade and/or drydocking, in each case to be completed within 12 months.

- (b) The net proceeds from any Tap Issue shall, always subject as aforesaid, be applied exclusively towards financing (in whole or in part) of Additional Vessel Acquisitions by any Issuer Group Companies (except as permitted in the final paragraph of "Escrow Account" below).
- (c) If, at any time, the amount standing to the credit of the Escrow Account is less than USD 2 million and such amount has been standing to the credit of the Escrow Account for more than 3 months, such amount shall freely be released to the Issuer and applied for general corporate purposes of the Issuer Group.

## 2.4 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer and shall be secured on a first-priority basis by the Security. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.

## 2.5 Transaction Security

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority;

### (a) Pre-Settlement Security:

- (i) a first priority pledge over the Escrow Account;

### (b) Pre-Disbursement security:

- (i) first priority pledges over all ownership interests (including any Ahrenkiel Ownership Interest) in respect of each of the Vessel Owning Companies;
- (ii) first priority pledge over all the shares in respect of the Issuer;
- (iii) first priority pledge over all the shares in respect of each CV General Partner;
- (iv) first priority assignment over all Group Loans granted to Obligors;
- (v) first priority ship mortgage over each of the relevant Vessels including all relevant equipment being legally part of the Vessel under applicable law (including, if applicable, a deed of covenants supplemental to the Mortgage and to the security thereby created between the relevant Issuer Group Company and the Bond Trustee);
- (vi) first priority assignments of all relevant insurance policies related to the relevant Vessels and the equipment related thereto;
- (vii) first priority charges over all bank accounts held by the Issuer Group Companies, pledged on first priority but not blocked in favour of the Bond Trustee;

- (viii) joint and several guarantees (Norwegian: "selvskyldnerkausjon") ("Guarantee") or similar under applicable law from each of the Guarantors, which shall constitute senior obligations of the Guarantors; and
- (ix) if relevant, security as mentioned above in respect of any vessels other than the Vessels owned by a Issuer Group Company (provided that such Vessel is to be applied as a Cure Vessel).
- (c) The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (d) The Pre-Settlement Security set out in this clause 2.5 (*Transaction Security*) shall be established no later than two (2) days before the Issue Date (or as the case may be, the Tap Issue Date).

The Pre-Disbursement Security as set out in this clause 2.5 (*Transaction Security*) shall be established prior to (or as the case may be, in connection with) the release of funds from the Initial Issue Amount (or as the case may be, the Tap Issue) from the Escrow Account.

- (e) The Bond Trustee shall (in its capacity as security agent) in the case of a Permitted Disposal, immediately release any Security related to the Vessel (and/or Vessel Owning Company) divested through such Permitted Disposal.

### **3. THE BONDHOLDERS**

#### **3.1 Bond Terms binding on all Bondholders**

- (a) Upon registration of the Bonds in the CSD, the Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

#### **3.2 Limitation of rights of action**

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



### **3.3 Bondholders' rights**

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

## **4. ADMISSION TO LISTING**

The Issuer shall apply within 6 months of the Issue Date for the Bonds to be admitted to listing on Oslo Børs.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

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

### **5.2 Obligation to ensure correct registration**

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

### **5.3 Country of issuance**

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

## **6. CONDITIONS FOR DISBURSEMENT**

### **6.1 Conditions precedent for disbursement to the Issuer**

#### **(a) Pre-settlement**

Payment of the net proceeds from the Initial Issue Amount into the Escrow Account shall be conditional on the Bond Trustee having received two (2) business days prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (i) these Bond Terms duly executed by all parties thereto;
- (ii) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;

- (iii) copies of all corporate resolutions of the Issuer required for the Issuer to issue the Bonds and execute the Finance Documents to which it is a party (other than, if relevant, in respect of Finance Documents to be delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (c));
- (iv) to the extent not reflected in the corporate resolutions (item (iii) above), a copy of a power of attorney from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party (other than, if relevant, in respect of Finance Documents to be delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (c));
- (v) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
- (vi) confirmation that the Bonds are registered in the VPS;
- (vii) confirmation that the applicable exemption from the prospectus requirements (ref the EU prospectus directive (2003/71 EC)) and Chapter 7 in the Norwegian Securities Trading Act concerning the issuance of the Bonds has been fulfilled;
- (viii) the Bond Trustee Agreement duly executed by all parties thereto;
- (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Manager in connection with the issuance of the Bonds;
- (x) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Bond Terms and the Finance Documents (to be delivered as pre-settlement conditions precedent set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a); and
- (xi) confirmation from the Issuer that no Event of Default has occurred and is continuing or will result from the issuance of the Bonds;

(b) Tap Issue pre-settlement

In connection with a Tap Issue, payment of the net proceeds from the Tap Issue into the Escrow Account shall be conditional on the Bond Trustee having received two (2) days prior to the Tap Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (i) an amendment agreement to the Bond Terms duly executed by all parties thereto;
- (ii) as applicable, re-delivery of the conditions precedent in subsection (ii), (iii), (iv), (vi), (vii), (ix), (x) and (xi) as set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a); and

(iii) in the event the Tap Issue is conducted in compliance with:

- (A) Tap Issue Test A, satisfactory documentation evidencing that the Issuer has met the requirements of the Tap Issue Test A; or
- (B) Tap Issue Test B, satisfactory documentation evidencing that the Issuer Group has been provided such minimum equity contribution required to meet the Tap Issue Test B.

(c) Pre-disbursement

(i) Initial drawdown of USD 20 million

The first USD 20 million of net proceeds from the Initial Issue Amount (on the Escrow Account) will not be disbursed (in full or in part) to the Issuer unless at such time the Bond Trustee:

- (A) shall have received satisfactory evidence that Initial Vessels with an aggregate Market Value of at least USD 50 million have been taken over and paid for in full by the Issuer Group, and
- (B) shall (subject to customary closing conditions) have received prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
  - (1) copies of the Parent's and the Issuer's latest Financial Reports (in respect of the financial year 2017 being the opening balance of the Issuer);
  - (2) the Transaction Security Documents related to Initial Vessels with an aggregate Market Value of at least USD 50 million (together, if relevant, with any vessels mentioned under Clause 2.5(b)(ix)) duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security to be done as soon as possible after release of funds from the Escrow Account (if required in accordance with a closing procedure, including a description of flow of funds, acceptable to the Bond Trustee);
  - (3) unless delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent:
    - (a) copies of all corporate resolutions of each Obligor required for the relevant Obligor to execute the Finance Documents to which it is a party;
    - (b) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party;

- (c) copies of the Obligors' certificate of incorporation, articles of association and of a full extract from the relevant company registers in respect of the Obligors evidencing that the Obligors are validly existing;
- (4) documentation of insurance policies relating to the Initial Vessels (together, if relevant, with any vessels mentioned in item (viii) in Pre-Disbursement Security) evidencing that the Issuer is in compliance with the Vessel Undertaking related to insurance;
- (5) copies of relevant Management Agreement(s), together with relevant subordination undertakings from the manager(s) (if applicable);
- (6) confirmation from the Issuer that no indebtedness, security or guarantees (that will not constitute Permitted Financial Indebtedness) exist (or as the case may be, will cease to exist in connection with disbursement);
- (7) confirmation from the Issuer that no Event of Default has occurred and is continuing or will result from the release of funds from the Escrow Account;
- (8) a parallel debt agreement, duly signed by all Obligors and the Security Agent (which agreement shall constitute a Finance Document);
- (9) copies of the partnership agreements of each Vessel Owning Company amended to reflect that article 3.8 of the deed of incorporation of each Vessel Owning Company pursuant where to a partner is not entitled to pledge or otherwise encumber all or any part of its interest in the partnership is deleted;
- (10) any other Finance Documents duly executed by all parties thereto; and
- (11) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of Finance Documents (unless delivered as Pre- Settlement conditions precedent).

(ii) Subsequent drawdowns for Additional Vessel Acquisitions:

Any subsequent release of net proceeds from the Initial Issue Amount (on the Escrow Account) will not be disbursed to the Issuer (in full or in part) unless at such time the Bond Trustee shall (subject to customary closing conditions) have received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (A) copies of the Parent's and the Issuer's latest Financial Reports (in respect of the financial year 2017 being the opening balance of the Issuer);
- (B) documentation by way of Market Value reports not being older than 90 days (other than in respect of the relevant Additional Vessel being acquired) that the post drawdown Vessel LTV Ratio will be less than 50%;
- (C) Transaction Security Documents related to the relevant Additional Vessels (together, if relevant, with any vessels mentioned under Clause 2.5(b)(ix)) duly executed by all parties thereto and evidence of the establishment and perfection of the Security to be done as soon as possible after release of funds from the Escrow Account (if required in accordance with a closing procedure, including a description of flow of funds, acceptable to the Bond Trustee);
- (D) relevant documentation in respect of the relevant Additional Vessel Acquisition as specified in Clause 12.4;
- (E) unless delivered under this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent:
  - (1) copies of all corporate resolutions of each Obligor required for the relevant Obligor to execute the Finance Documents to which it is a party;
  - (2) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party;
  - (3) copies of the Obligors' certificate of incorporation, articles of association and of a full extract from the relevant company registers in respect of the Obligors evidencing that the Obligors are validly existing;
- (F) documentation of insurance policies relating to the Initial Vessels (together, if relevant, with any vessels mentioned in item (ix) in Pre-Disbursement Security) evidencing that the Issuer is in compliance with the Vessel Undertaking related to insurance;
- (G) copies of relevant Management Agreement(s) together with relevant subordination undertakings from the manager(s) (if applicable);
- (H) confirmation from the Issuer that no indebtedness, security or guarantees (that will not constitute Permitted Financial Indebtedness) exist (or as the case may be, will cease to exist in connection with disbursement);

- (I) confirmation from the Issuer that no Event of Default has occurred and is continuing or will result from the release of funds from the Escrow Account;
- (J) any other Finance Documents duly executed by all parties thereto; and
- (K) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of Finance Documents (unless delivered as Pre- Settlement conditions precedent)).

(iii) Tap Issue Pre-Disbursement

In connection with a Tap Issue, the net proceeds from the Tap Issue (on the Escrow Account) will not be disbursed (in full or in part) to the Issuer unless the Bond Trustee (subject to customary closing conditions) shall have received prior to such disbursement to the Issuer each of the corresponding relevant documents mentioned under Clause 6.1(c) (*Pre-Disbursement*) together with any relevant Transaction Security Documents and the following documents, in form and substance satisfactory to the Bond Trustee:

- (A) any other transaction specific conditions precedent as may be required under a Tap Issue; and
- (B) in case the Tap Issue is conducted in compliance with Tap Issue Test B, funds shall be released from the Escrow Account according to the debt to equity ratio as set out under Tap Issue Test B.

(d) Right to waiver

The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in this Clause 6.1 (Conditions precedent for disbursement to the Issuer), or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 (Conditions precedent for disbursement to the Issuer) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

## 6.2 Distribution

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

## 6.3 Tap Issues

The Issuer may issue Additional Bonds if:

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

confirmation that no Event of Default is outstanding or would result from the issuance of such Additional Bonds; and

(c) the Issuer meets the Tap Issue Test.

## **7. REPRESENTATIONS AND WARRANTIES**

The Issuer makes the representations and warranties set out in this Clause 7 (Representations and warranties), in respect of itself and each Obligor (in each case, "it") 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 Issue Date; and
- (b) on each date of disbursement of proceeds from the Escrow Account; and
- (c) at the date of issuance of any Additional Bonds.

### **7.1 Status**

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, or, in the case of each Vessel Owning Company, a limited partnership (*commanditaire vennootschap*) duly formed and validly existing under the laws of the Netherlands and registered with the Dutch trade register, and has the power to own its assets and carry on its business as it is being conducted.

### **7.2 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

### **7.3 Valid, binding and enforceable obligations**

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

### **7.4 Non-conflict with other obligations**

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

### **7.5 Information**

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, 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.

#### **7.6 No Event of Default**

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance 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 to which its assets are subject which has or is likely to have a Material Adverse Effect.

#### **7.7 Authorizations and consents**

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

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

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

#### **7.8 Litigation**

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

#### **7.9 Financial Reports**

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

#### **7.10 No Material Adverse Effect**

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

#### **7.11 No misleading information**

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



**7.12 No withholdings**

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

**7.13 Pari passu ranking**

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

**7.14 Security**

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

**7.15 Transaction Security**

The entry into of the Transaction Security Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it.

**8. PAYMENTS IN RESPECT OF THE BONDS**

**8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said

systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

## **8.2 Default interest**

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

## **8.3 Partial payments**

- (a) If the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a "**Partial Payment**"), such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
  - (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata pursuant to the procedures of the CSD towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

## **8.4 Taxation**

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
  - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
  - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.

- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

#### **8.5 Currency**

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

#### **8.6 Set-off and counterclaims**

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

### **9. INTEREST**

#### **9.1 Calculation of interest**

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest will accrue on the Nominal Amount of any Additional Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Additional Bonds (or, if the date of the issuance is not an Interest Payment Date and there is no Interest Payment Date prior to such date of issuance, starting with the Interest Period commencing on the Issue Date).
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.
- (d) Any interpolation of the interest rate will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate.

## **9.2 Payment of Interest**

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

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

### **10.1 Redemption of Bonds**

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

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the "Call Option") on any Business Day with settlement from and including:
  - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
  - (ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.25% of the Nominal Amount for each redeemed Bond;
  - (iii) the Interest Payment Date falling 36 months after the Issue Date, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.50% of the Nominal Amount for each redeemed Bond;
  - (iv) the Interest Payment Date falling 42 months after the Issue Date, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101.75% of the Nominal Amount for each redeemed Bond;
  - (v) the Interest Payment Date falling 48 months after the Issue Date, but not including, the Interest Payment Date falling 54 months after the Issue Date at a price equal to 101.00% of the Nominal Amount for each redeemed Bond; and
  - (vi) the Interest Payment Date falling 54 months after the Issue Date to, but not including, the Maturity Date at a price equal to 100.25% of the Nominal Amount for each redeemed Bond.

In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds.

- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10), but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall publish the Make Whole Amount to the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.

- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

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

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.0 per cent of the Nominal Amount.
- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (Put Option Event). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above.
- (d) If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (Mandatory repurchase due to a Put Option Event), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

#### **10.4 Mandatory Redemption due to a Permitted Disposal**

- (a) Upon a Permitted Disposal occurring, the Issuer may (subject to the further terms and conditions set out under "Permitted Disposal") redeem Bonds with an amount equal to the Redemption Amount on the following prices:
  - (i) the Issue Date to, but not including, the First Call Date at a price equal to 105.0% of the Nominal Amount;
  - (ii) thereafter on the redemption prices as set out in Clause 10.2 (*Voluntary early redemption - Call Option*),

In addition, the Issuer shall pay accrued and unpaid interest on redeemed Bonds. For the avoidance of doubt, the relevant redemption price shall be determined based on the date the Permitted Disposal occurred and not the date on which the prepayment is carried out.

- (b) Subject to paragraph (c) below, upon a Total Loss Event occurring, the Issuer shall as soon as insurance proceeds related to such Total Loss Event are available, and in any event no later than 180 days following the Total Loss Event, redeem the Bonds with an amount equal to the Redemption Amount at a price equal to 100.0% of the Nominal Amount, including accrued and unpaid interest on the redeemed Bonds.
- (c) No redemption of Bonds under paragraph (b) shall be required if the Issuer deposits the insurance proceeds on the Disposal Account and the application of such funds

shall then be subject to the terms and conditions for funds credited to the Disposal Account.

**10.5 Early redemption option due to a tax event**

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

**11. PURCHASE AND TRANSFER OF BONDS**

**11.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event)).

**11.2 Restrictions**

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

**12. INFORMATION UNDERTAKINGS**

**12.1 Financial Reports**

Each of the Parent and the Issuer shall, without being requested to do so, prepare and deliver

- (a) its respective audited Annual Financial Statements in the English language and make them available on its website (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) Its respective unaudited quarterly Interim Accounts and make them available on its website (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 Quarter Date (each a "Reporting Date").

## **12.2 Requirements as to Compliance Certificates**

- (a) Each relevant Financial Report shall be accompanied by a Compliance Certificate with supporting documentation (including, as applicable, each quarter on Minimum Liquidity and Minimum Equity Ratio, and every 6 months on Vessel LTV Ratio) as further detailed in Clause 13.4 ("Financial Covenants"). In addition such documentation shall be provided correspondingly (i) upon a Permitted Disposal (and the corresponding Mandatory Prepayment) or (ii) Tap Issue Test A occurring.

The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer, or a duly authorised officer of the Parent or the Issuer (as relevant), certifying i.a that the Financial Statements are fairly representing its financial condition as at the date of those financial statements, and setting out (in reasonable detail) computations evidencing compliance with Clause 13.4 ("Financial Covenants").

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (Financial Reports) are prepared using IFRS consistently applied.

## **12.3 Put Option Event**

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

## **12.4 Documentation in relation to an Additional Vessel**

The Issuer shall always deliver to the Bond Trustee in connection with an Additional Vessel Acquisition the following relevant documentation:

- (i) a certified copy of the memorandum of agreement ("MOA") in respect of the Additional Vessel;
- (ii) a copy of the protocol of delivery and acceptance under the MOA in respect of the Additional Vessel;
- (iii) SMC (safety management certificate), DOC (document of compliance from the relevant Issuer Group Company's technical manager of such Additional Vessel), and ISSC (international ship security certificate); and
- (iv) such other documentation in relation to an Additional Vessel as the Bond Trustee may reasonably require.

## **12.5 Information: Miscellaneous**

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);

- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

### **13. GENERAL AND FINANCIAL UNDERTAKINGS**

#### **13.1 Issuer undertakings**

The Issuer undertakes to at all times (and shall, where applicable, procure that the other Issuer Group Companies will) comply with the following undertakings:

##### **(a) Distributions**

The Issuer shall not, and shall ensure that no other Issuer Group Company will, make any Distribution other than a Permitted Distribution.

##### **(b) Investments**

The Issuer shall not, and shall ensure that no other Issuer Group Company will, acquire any company, shares, securities, business or undertaking (or any interest in any of them) or make any other investments or capital expenditures, other than solely related to the direct or indirect ownership in and operation, maintenance, and improvement of the Vessels.

##### **(c) Single Purpose Company**

The Issuer shall remain a single purpose company, conducting no other business than such activities naturally related to its ownership of the Vessel Owning Companies. The Vessel Owning Companies shall remain single purpose companies, conducting no other business than such activities naturally related to its ownership of the relevant Vessels, except for any such cease or change resulting from Permitted Disposals or Additional Vessel Acquisitions. The CV General Partners shall remain single purpose companies, conducting no other business than such activities naturally related to being the general partner of the relevant Vessel Owning Company.

##### **(d) Ownership**

The Issuer shall (save for any Ahrenkiel Ownership Interest and the interest of the relevant CV General Partner) remain the sole owner (directly and indirectly) of the Vessel Owning Companies and ensure that CV General Partners of the Vessel Owning Companies shall continue to directly hold legal title to and on behalf of the Vessel Owning Companies hold



the entire beneficial interest in the respective Vessels, except for any such cease or change resulting from Permitted Disposals.

(e) Continuation of business

The Issuer shall not, and shall ensure that no other Issuer Group Company will, cease to carry on its business or change the general nature of its business from that carried on by the Issuer Group at the Issue Date, except for any such cease or change resulting from Permitted Disposals or Additional Vessel Acquisitions.

(f) Mergers and de-mergers

The Issuer shall not, and shall ensure that no other Issuer Group Company will, enter into any *de-merger, merger or other corporate restructuring* (except for any intra-Group reorganisation which would not have a Material Adverse Effect).

(g) Disposals

The Issuer shall not, and shall ensure that no other Issuer Group Company will, sell or dispose of any shares of any Vessel Owning Companies, the Vessels, or any assets that are pledged as Security for the Bond Issue, except for any disposals carried out as a Permitted Disposal, in which case, the funds paid into the Disposal Account shall remain pledged and blocked until they are employed (no later than 12 months thereafter following the relevant Permitted Disposal) as follows:

- (i) towards Mandatory Prepayment (subject to a no less than 5 business days prior written notice to the Bondholders); or
- (ii) towards financing (in whole or in part) of the acquisition of any replacement assets satisfying the conditions as set out under the definition of Additional Vessels clause (i)-(ii) and acquired at Market Value either externally or from another Group Company and over which new Security shall be granted,

after which any remaining funds on the Disposal Account if less than USD 1 million may be released to the Issuer Group.

(h) Financial indebtedness restriction

The Issuer shall not, and shall ensure that no other Issuer Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

(i) Negative pledge

The Issuer shall not, and shall ensure that no other Issuer 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 (including shares in Subsidiaries) or its revenues, other than the encumbrances granted to secure any of the following:

- (i) the Permitted Financial Indebtedness; and
- (ii) any lien arising by operation of law.

(j) Financial support restriction

The Issuer shall not, and shall ensure that no other Issuer Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of security) to or for the benefit of any third party or other Group Company, other than any Financial Support:

- (i) granted under the Finance Documents; and
- (ii) provided as a Group Loan between the Obligors.

**13.2 Vessels undertakings**

The Issuer (and/or each Group Company where applicable) shall procure that:

- (a) the Vessels are operated by the Vessel Managers in all material respects in accordance with laws and regulations (and in compliance with all Norwegian, UK, EU (including each of the individual member states), US and UN sanctions regimes at all times) and good industry standards;
- (b) no amendments, supplements, variations or waiver of any material terms of the Management Agreement to be made if any such amendment, supplement, variation or waiver would have a Material Adverse Effect;
- (c) the Vessels shall maintain flag, class and remain registered in the International Shipping Register of Madeira or another ships registry acceptable to the Bond Trustee and in consistency with prudent ownership and good industry standards (and where the Bond Trustee shall be given notice of any changes to name, flag, class or registry of a Vessel prior to any such changes becoming effective);
- (d) the Vessels and all relevant equipment related thereto are reasonably and satisfactorily maintained at all times. During operation of the Vessels, the Issuer shall ensure that the Vessel Managers run proper maintenance of the Vessels and keep the Vessels in good and safe condition and repair consistent with prudent ownership and industry standards;
- (e) insurance of the Vessels are taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction. Each of the Vessels shall be adequately insured against (A) Hull & Machinery risks at least covering the higher of (i) 100% of the Market Value of such Vessel and (ii) in respect of such Vessel, together with the Hull & Machinery cover for the other Vessels, 120% of the principal amount of Outstanding Bond Amount (less the amount standing to the credit of the Escrow Account) at any time, taking into account the aggregated value of all Vessels, (B) third party liability as per industry standards (P&I), (C) war risk (including expropriation risk) as per industry standards, and (D) any additional insurances required under law or any charter contract. Also, for the benefit of the Bond Trustee, the Issuer shall keep a Mortgagee Interest Insurance ("MII") and Mortgagee Additional Perils Insurance ("MAPI") or similar insurance; and

- (F) upon request of the Bond Trustee, arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee, to undertake a technical inspection of the Vessels without interference of the daily operation of the Vessels and at the expense of the Issuer (however limited to maximum one yearly inspection per Vessel unless an Event of Default has occurred and is continuing).

### 13.3 Financial covenants

- (a) The Issuer shall, at all times, comply with the following:
  - (i) the Vessel LTV Ratio shall not exceed 75.0%; and
  - (ii) maintain a minimum Liquidity on a consolidated Issuer Group basis (the “Minimum Liquidity”) in an amount of no less than the USD equivalent of 5.0% of the Financial Indebtedness of the Issuer Group.
- (b) The Equity Ratio of the Group shall at all times be higher than 40% (the “Minimum Equity Ratio”).

The Issuer shall comply (or procure the compliance) with these Financial Covenants at all times, and:

- (c) the Minimum Liquidity and Minimum Equity Ratio shall be reported by the Issuer and the Parent (as relevant) on each Quarter Date supported by a Compliance Certificate to be delivered to the Bond Trustee in connection with each quarterly financial statement on the respective Reporting Dates; and
- (d) the Vessel LTV Ratio shall be reported by the Issuer semi-annually on the relevant Calculation Date, and certified by the Issuer in a compliance certificate to be delivered to the Bond Trustee no later than 30 days after the relevant Calculation Date.

### 13.4 Vessel LTV Ratio Covenant Cure

- (a) If the Issuer fails (or would otherwise fail) to comply with the Vessel LTV Ratio at any time and the Issuer prior to the relevant Reporting Date has provided either:
  - (i) a Cure Vessel and security in respect of such Cure Vessel along the principles applicable to the Vessels (re. “Security” above); or
  - (ii) cash collateral deposited on a bank account pledged on first priority and blocked in favour of the Bond Trustee (on behalf of the Bondholders) bridging the value shortfall, then:
- (b) if a Cure Vessel is provided, the Vessel LTV Ratio shall be recalculated on the basis that the Market Value of such Cure Vessel shall be deemed to increase the total aggregate Market Value of the Vessels for the relevant period to which the (expected) breach relates, and
- (c) if cash collateral is provided and for as long as such cash collateral remains in place, the Outstanding Bond Amount shall, for the purpose of the Vessel LTV Ratio only, be deemed to be reduced by the amount of the cash collateral so provided.

If, after the Vessel LTV Ratio is recalculated as set out above, the breach has been prevented or cured, the Vessel LTV Ratio shall be deemed to have been satisfied on the date of the relevant Reporting Date.

If a Cure Vessel or cash collateral has been provided in accordance with this Vessel LTV Ratio Covenant Cure, the security arrangement or relevant cash deposit amount shall be released by the Bond Trustee at the request of the Issuer, if on the next relevant Reporting Date pertaining to the ensuing semi-annual Vessel LTV Ratio measurement the Vessel LTV Ratio will be fully satisfied following any such release.

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

##### **14.1 Events of Default**

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

**(a) Non-payment**

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

- (i)** its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or
- (ii)** in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

**(b) Breach of other obligations**

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

**(c) Misrepresentation**

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

**(d) Cross default**

If for any Group Company:

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

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above is with recourse to the Parent or the Issuer in an amount exceeding USD 5,000,000 (or the equivalent thereof in any other currency).

(e) Insolvency and insolvency proceedings

- (i) An Obligor :
  - (A) is Insolvent; or
  - (B) is the object of any corporate action or any legal proceedings taken in relation to:
    - (1) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
    - (2) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
    - (3) 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
- (ii) Any Obligor is the object of any corporate action or any legal proceedings taken in relation to enforcement of any Security over any of its or their assets having an aggregate value exceeding USD 5,000,000 (or the equivalent thereof in any other currency); or
- (iii) for (i) - (ii) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

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

(f) **Creditor's process**

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

(g) **Unlawfulness**

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

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

**14.2 Acceleration of the Bonds**

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

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

**14.3 Bondholders' instructions**

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

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

**14.4 Calculation of claim**

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (Voluntary early

redemption - Call Option) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

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

## **15. BONDHOLDERS' DECISIONS**

### **15.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting 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 action as set out in Clause 16.1 (Power to represent the Bondholders), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least 50% 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.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (Procedure for amendments and waivers) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

### **15.2 Procedure for arranging a Bondholders' Meeting**

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

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (Redemption and Repurchase of Bonds).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "Representative"). The chair of the Bondholders' Meeting 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 chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from



participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. 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 chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

#### **15.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (Bondholders' rights). The chair of the Bondholders' Meeting 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 chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (Bondholders' decisions), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (Bondholders' rights), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (Bondholders' rights) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

#### **15.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (Authority of the Bondholders' Meeting) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the

initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.

- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (Authority of the Bondholders' Meeting), Clause 15.2 (Procedure for arranging a Bondholders' Meeting) and Clause 15.3 (Voting rules) shall apply mutatis mutandis to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (Authority of the Bondholders' Meeting) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (Written Resolutions), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (Procedure for arranging a Bondholders' Meeting) and vice versa.

#### **15.5 Written Resolutions**

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (Authority of the Bondholders' Meeting) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (Authority of the Bondholders' Meeting), 15.2 (Procedure for arranging a Bondholder's Meeting), Clause 15.3 (Voting Rules) and Clause 15.4 (Repeated Bondholders' Meeting) shall apply mutatis mutandis to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (Procedure for arranging Bondholders Meetings); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (Written Resolution),shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:

- (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the “**Voting Period**”), such Voting Period to be at least three (3) Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (Repeated Bondholders’ Meeting) shall be at least ten (10) Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (Bondholders’ rights), will be counted in the Written Resolution.
  - (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (Authority of Bondholders’ Meeting) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
  - (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
  - (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1(Authority of Bondholders’ Meeting).

## **16. THE BOND TRUSTEE**

### **16.1 Power to represent the Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders’ rights and/or carrying out its duties under the Finance Documents.

## **16.2 The duties and authority of the Bond Trustee**

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

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

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

#### **16.3 Equality and conflicts of interest**

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

#### **16.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently 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 detrimental to the interests of the Bondholders to delay 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. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.
- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the 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 or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (Bondholders' instructions) or Clause 15.2 (Procedure for arranging a Bondholders' Meeting)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **16.5 Replacement of the Bond Trustee**

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

Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

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

#### **16.6 Security Agent**

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

## **17. AMENDMENTS AND WAIVERS**

### **17.1 Procedure for amendments and waivers**

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

### **17.2 Authority with respect to documentation**

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

### **17.3 Notification of amendments or waivers**

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

## **18. MISCELLANEOUS**

### **18.1 Limitation of claims**

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

### **18.2 Access to information**

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



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

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

### **18.3 Notices, contact information**

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

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

#### **18.4 Defeasance**

(a) Subject to paragraph (b) below and provided that:

- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under Clause 12.2 (Requirements as to Financial Reports) paragraph (a), Clause 12.3 (Put Option Event), Clause 12.4 (Information: miscellaneous) and Clause 13 (General and financial undertakings);
- (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
- (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.

(b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

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

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

#### **19. GOVERNING LAW AND JURISDICTION**

##### **19.1 Governing law**

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

#### 19.2 Main jurisdiction

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

#### 19.3 Alternative jurisdiction

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

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

#### 19.4 Service of process


- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
  - (i) irrevocably appoints the Parent as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
  - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within ten (10) Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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

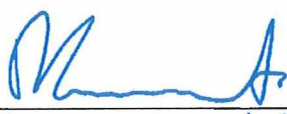
#### SIGNATORIES:

##### The Issuer:

By:   
Name: Constantin Boer  
Title: Managing Director

##### As Bond Trustee and Security Agent:

By:   
Name: Vivian Trösch  
Title: Attorney-at-Law

By:   
Name: Philipp Larcusstein  
Title: Authorized Representative

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

[date]

**MPC Container Ships Invest B.V FRN bonds 2017/2022 ISIN NO0010805872**

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

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

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

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

The Financial Covenants set out in Clause 13.4 (Financial Covenants) are met, please see the calculations and figures in respect of the ratios attached hereto.

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

Yours faithfully,

MPC Container Ships Invest B.V.

\_\_\_\_\_

Name of authorised person

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

**SCHEDULE 2**  
**RELEASE NOTICE - ESCROW ACCOUNT**

[date]

Dear Sirs,

**MPC Container Ships Invest B.V bonds 2017/2022 ISIN NO0010805872**

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

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

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

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

Yours faithfully,

MPC Container Ships Invest B.V.

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Name of authorized person

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

**SCHEDULE 3**  
**INITIAL VESSEL AND VESSEL OWNING COMPANY**

**Part A - Initial Vessels**

Vessel Name	Relevant Subsidiary*	IMO No.	Built	Interest	TEU
AS Laetitia	"AS LAETITIA" ShipCo CV (represented by the general partner "AS LAETITIA" OpCo BV)	9366237	2007	100%	966
AS Laguna	"AS LAGUNA" ShipCo CV (represented by the general partner "AS LAGUNA" OpCo BV)	9435820	2008	100%	966
AS Fatima	"AS FATIMA" ShipCo CV (represented by the general partner "AS FATIMA" OpCo BV)	9437191	2008	100%	1,284
AS Fiona	"AS FIONA" ShipCo CV (represented by the general partner "AS FIONA" OpCo BV)	9248930	2003	100%	1,200
AS Fortuna	"AS FORTUNA" ShipCo CV (represented by the general partner "AS FORTUNA" OpCo BV)	9428322	2009	100%	1,345
AS Angelina	"AS ANGELINA" ShipCo CV (represented by the general partner "AS ANGELINA" OpCo BV)	9357092	2007	100%	2,127
AS Paulina	"AS PAULINA" ShipCo CV (represented by the general partner "AS PAULINA" OpCo BV)	9286786	2004	100%	2,556
AS Petronia	"AS PETRONIA" ShipCo CV (represented by the general partner "AS PETRONIA" OpCo BV)	9286786	2004	100%	2,556
AS Constantina	"AS CONSTANTINA" ShipCo CV (represented by the general partner "AS CONSTANTINA" OpCo BV)	9308390	2005	100%	2,742
AS Clara	"AS CLARA" ShipCo CV (represented by the general partner "AS CLARA" OpCo BV)	9320049	2006	100%	2,742

**Part B - Initial Vessels acquired, but to be taken over after [the Issue Date]**

Vessel Name	Relevant Subsidiary* (represented by the general partner)	IMO No.	Built	Interest	TEU
AS Floretta	"AS FLORETTA" ShipCo CV (represented by the general partner "AS FLORETTA" OpCo BV)	9395056	2007	100%	1,284
AS Faustina	"AS FAUSTINA" ShipCo CV (represented by the general partner "AS FAUSTINA" OpCo BV)	9395094	2007	100%	1,284
AS Fabrizia	"AS FABRIZIA" ShipCo CV (represented by the general partner "AS FABRIZIA" OpCo BV)	9395135	2008	100%	1,284
AS Fiorella	"AS FIORELLA" ShipCo CV (represented by the general partner "AS FIORELLA" OpCo BV)	9395111	2007	100%	1,296
AS Columbia	"AS COLUMBIA" ShipCo CV (represented by the general partner "AS COLUMBIA" OpCo BV)	9329937	2006	100%	2,742

\* [Each of the relevant Vessel Owning Subsidiaries is represented by its general partner].



**ADDENDUM NO.1** (the “**Addendum**”) to the bond agreement dated 20 September 2017 made between the Issuer and the Bond Trustee (the “**Bond Terms**”):

Issuer:	MPC Container Ships Invest B.V.
Bond Trustee:	Nordic Trustee AS
ISIN:	NO 001 0805872
Maximum Issue Amount:	USD 200,000,000 (USD 200 millions)
Tap Issue Amount:	USD 100,000,000 (USD 100 millions)
Outstanding Bonds after the Tap Issue:	USD 200,000,000 (USD 200 millions)
Tap Issue Date:	13 February 2018

## 1 Construction

Capitalised terms used but not defined in the Addendum shall have the same meaning as ascribed to them in the Bond Terms, the Bond Terms and the Addendum shall be read and understood as a whole.

## 2 Amendments to the Bond Terms

The Bond Terms are amended as follows:

2.1 The following new definition is included in Clause 1.1:

*“**Tap Issue Amount**” means USD 100,000,000. ”*

2.2 For the purpose of documenting a certain minor change agreed between the Issuer and the Bond Trustee in order to correct an immaterial drafting error in the Bond Terms, and as reflected in the Term Sheet based on which the Tap Issue was issued, the following definition has been amended to read:

*“**Change of Control Event**” means*

*a) any person, or group of persons under the same Decisive Influence, or two or more persons acting in concert obtains Decisive Influence over the Parent, other than MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates; or*

*b) a de-listing of the Parent’s shares from the Merkur Market or another internationally recognized stock exchange (if applicable) that does not occur in connection with a listing of the Parent’s shares on another internationally recognized stock exchange.”*

*PROVIDED that if MPC Group or its Affiliates or other parties acting in concert with MPC Group or its Affiliates acquire Decisive Influence or even 100% of the shares in the Parent, and following such acquisition the shares of the Parent are de-listed as described in b) above, such de-listing shall not constitute a Change of Control Event as long as the Parent is listed on a reputable exchange simultaneously with a Merkur Markets delisting and remains listed until the Final Maturity Date.*

- 2.3 Following conversion of the Parent from an AS to an ASA, the following definition has been amended to read:

*“**“Parent”** means MPC Container Ships ASA (previously named MPC Container Ships AS) a limited liability company incorporated and registered in Norway with registration number 918 494 316.”*

### **3 Conditions Precedent**

Payment of the Tap Issue Amount into the Escrow Account and Disbursement of the Tap Issue Amount from the Escrow Account is conditional upon the Bond Trustee having received the documents set out in Clause 6 (*Conditions for disbursement*) of the Bond Terms.

### **4 Confirmation of the Bond Terms**

Except as expressly amended by this Addendum, the Bond Terms and the other Finance Documents shall remain in full force and effect. Any reference in any Finance Document to the Bond Terms shall be a reference to the Bond Terms as amended and/or supplemented by this Addendum.

### **5 Representations and warranties**

The Issuer makes the representations and warranties set out in Clause 7 (*Representations and Warranties*) of the Bond Terms at the Tap Issue Date with respect to the facts and circumstances then existing.

### **6 Finance Document**

This Addendum is a Finance Document.

### **7 Dispute resolution and legal venue**

This Addendum shall be governed by Norwegian law and clause 19 (*Governing Law and Jurisdiction*) of the Bond Terms shall apply to this Addendum as if inserted herein and as if references to these “Bond Terms” were references to this Addendum.

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This Addendum has been executed in two originals, of which the Issuer and the Bond Trustee retain one each.

*(signature page follows)*

**SIGNATORIES:**

Date: 12 February 2018

**Issuer:**

MPC Container Ships Invest B.V.

By: 

Name: L. de Graaf – C. Baack

Title: Managing Directors

**Bond Trustee:**

Nordic Trustee AS

By: 

Name:

Title: Olav Slagsvold