

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

To the bondholders in:

**ISIN: NO0010661846 - FRN J. LAURITZEN A/S SENIOR UNSECURED BOND ISSUE
2012/2017**

Oslo, 24/02/2017

Summons to Bondholders' Meeting

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bonds Issue**") issued by J. Lauritzen A/S (the "**Issuer**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 24 October 2012 (the "**Bond Agreement**") as amended from time to time, unless otherwise stated herein.

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

1. BACKGROUND

The dry bulk markets have for some time been experiencing a difficult business environment which has adversely impacted the Issuer's financial performance. The Issuer has responded by adjusting its business portfolio, reduction of debt, securing long-term financing and intensifying efforts to create value from operational excellence. In 2016, Lauritzen Fonden provided the company with strong support through a combination of equity injections and sale of assets. Furthermore, the Issuer has sold and cancelled new buildings, postponed deliveries and adjusted leasing obligations. As a result, the Issuer has been able to ease funding requirements and improve the liquidity situation which has enabled a significant balance sheet improvement in recent years. Moreover, early 2017 cost reductions and organizational adjustments were implemented due to the ongoing market weakness, which when fully implemented by the end of 2017 will entail redundancy of around 15% of the Issuer's land-based workforce.

Ensuring the Issuer's continued financial strength and flexibility must however also take into consideration that operational cash flow will be limited in 2017 and improvements are scheduled to come slowly in subsequent years, and thus not at a pace commensurate with the current debt repayments and charter obligations.

The Issuer is currently working on several initiatives to further strengthen the balance sheet and reduce its financial obligations going forward. The Issuer has entered into discussions with its stakeholders to find a sustainable long term solution that includes contributions and support from all stakeholder groups. This includes an injection of the equivalent of USD 30,000,000 in cash equity from its owner, Lauritzen Fonden, and an amortization reduction and maturity extension by its secured lenders (further detail is provided under "Conditionalities" in this Summons). Support for the headline terms described herein has already been obtained with Lauritzen Fonden and certain secured creditors.

It is a condition for the secured lenders' participation in the amendments to the financing that, of the USD 30,000,000 in equity, an amount corresponding to the NOK equivalent (calculated on the date of exchange) of USD 20,000,000, less any exchange fees and fees to the Bondholders (such amount, the "**Take-Out Funds**"), shall be used to redeem such aggregate nominal amount of Bonds as the Issuer is able to redeem under the Tender Offer (as defined below) and the new call option described below (such nominal amount of Bonds, the "**Take-Out Amount**").

Hence, the Issuer proposes to the Bondholders to accept a partial redemption in an amount equal to the Take-Out Amount, and a partial four-year maturity extension until October 2021 for the Bond Issue, both being conditions for the Issuer's secured lenders participation in the restructuring. The partial redemption will primarily be sought achieved by way of a buy back offer, where the Issuer will seek to buy back Voting Bonds (the "**Tender Offer**") and secondarily by way of introducing a partial redemption right in the Bond Agreement applicable for a limited period (as further described below), should the Tender Offer not enable the Issuer to redeem the expected number of Bonds, so that the Issuer will be able to, in aggregate under the Tender Offer and the new redemption right, redeem a nominal amount of Bonds equal to the Take-Out Amount.

The stock exchange notice published by the Issuer regarding the Tender Offer and early consent fee is enclosed (without attachments) for information purposes as Schedule 2 to this summons. As of the date of this summons, the Issuer has a holding of Bonds in a nominal amount of NOK 53,000,000.

2. THE PROPOSAL

Based on this background, the Issuer has approached the Bond Trustee and requested the Bondholders' Meeting to consider certain amendments to the Bond Agreement (the "**Proposal**"):

- a) The maturity date of the Bonds will be extended from 24 October 2017 to 24 October 2021.
- b) The financial covenants of the Bond Agreement to be amended as follows:
 - i. Minimum free cash as set out in Clause 13.5 (a) of the Bond Agreement to be at least USD 25,000,000 (decreased from USD 50,000,000); and
 - ii. The definition of Equity Ratio in Clause 1 in the Bond Agreement will be amended for the purposes of calculating the Equity Ratio covenant set out in Clause 13.5 (b) of the Bond Agreement. The Issuer may prepare audited pro-forma financial statements (or, as applicable, unaudited pro-forma semi-annual financial reports) for the relevant year or period based on the accounting principles applied in the Issuer's Financial Statements for the 2016 financial year and that compliance with the Equity Ratio covenant set out in Clause 13.5 (b) of the Bond Agreement shall be based on such audited pro-forma Financial Statements (or, as applicable, unaudited pro-forma Semi-annual Financial Reports).
- c) Introduction of the following call options:

-
- i. A partial redemption right in the maximum amount of the NOK equivalent of USD 20,000,000 to be implemented to enable the Issuer to successfully reduce the nominal amount of all Outstanding Bonds, such partial redemption right will be made pro rata for all Bondholders and with a redemption price equivalent to 95 % of par value of the Bonds; and
 - ii. A call option with settlement at any time prior to the new maturity date, subject to customary notice periods.
 - d) Redenomination of the nominal value of each Bond from NOK 1,000,000 to NOK 1 to facilitate the partial redemption referred to in item c) above.

The amendments contemplated by the Proposal is included in the draft amendment agreement (the "Amendment Agreement") attached as Schedule 1 hereto.

3. CONDITIONALITES

The implementation of the Proposal will be subject to the Issuer confirming to the Bond Trustee that the following conditions (the "**Conditions**") have, in all material respects, been met:

- Lauritzen Fonden (as owner of the Issuer) has subscribed for and paid up the DKK equivalent of USD 30 million as new equity to be issued by the Issuer;
- Commitment to a financing offer is confirmed from secured lenders representing at least USD 200 million (approx. 80%) of the consolidated secured bank debt. The financing offer shall comprise:
 - A reduction of the amortisation schedule by an average of 50% over a four-year period compared to existing amortisation schedules on the secured bank debt
 - An extension of bank debt facilities from the original maturities in 2019 and 2020 to 2021 Q2 and Q3
 - An amendment of financial covenants in the secured vessel facilities, including an amendment of the minimum free cash covenant, and an agreement that calculation principles applied to test financial covenants shall be on the basis of the Group's accounting principles as if the IFRS 16 accounting standard is not implemented; and
- Commitment is confirmed from Nordea and SEB, as cross currency swap providers to the Issuer, to the above mentioned financing offer for the hedging of the remaining nominal amount of the Bonds.

4. COMPENSATION FOR APPROVING THE PROPOSAL (AMENDMENT FEE)

As compensation to the Bondholders, subject to the Proposal (as defined above in section 2) being adopted by the Bondholders' Meeting, the Conditions (as defined above in section 3) are confirmed by the Issuer to be satisfied, and the amendment effective date for the amendments to the Bond Agreement has occurred, the Issuer offers to pay a one time amendment fee pro rata to all Bondholders, in an amount equal to 2% flat of the face value of the respective Bondholder's holdings of Bonds (the "Amendment Fee").

The relevant record date for the payment of the Amendment Fee shall be announced by the Bond Trustee once the Issuer confirms that the Conditions (as defined above in section 3) are satisfied and the amendment effective date for the amendments to the Bond Agreement has

occurred and with settlement date (payment date) within 10 Business Days after the date of such announcement.

5. FURTHER INFORMATION

Bondholders requiring any further details on the information provided in this summons or the Proposal may contact:

Danske Bank:	Nordea:	SEB
Stian Fjellsøy	Bibi Larsen	Arild Pettersen
+47 22 86 13 87	+45 616 12 996	+47 22 82 70 14
stian.fjellsoey@danskebank.com	bibi.larsen@nordea.com	arild.pettersen@seb.no

6. EVALUATION OF THE PROPOSAL AND NON-RELIANCE

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee, the Issuer or any of their respective advisors. The Bondholders must independently evaluate whether the proposed changes are acceptable and vote accordingly.

7. BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' meeting:

Time:	14 March 2017 at 9:00 hours (Oslo time),
Place:	The premises of Nordic Trustee ASA, Haakon VII's gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of proposal:

It is proposed that the Bondholders' meeting resolve the following:

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

The adoption of the Proposal as described in section 2 is conditional of the Conditions as described in section 3 being confirmed by the Issuer to the Bond Trustee as satisfied on or prior to 14 June 2017. The Proposal and payment of the Amendment Fee will lapse in its entirety if the Conditions are not confirmed by the Issuer to the Bond Trustee as satisfied before or on 14 June 2017.

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

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

* * * * *

As Schedule 2, please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

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

Yours sincerely
Nordic Trustee ASA



Vivian Trøsch

Enclosed:

- Schedule 1: Draft amendment agreement
- Schedule 2: Stock Exchange Notice published by the Issuer (without attachments)
- Schedule 3: Bondholder's Form

ISIN: NO 001 066184.6

Amendment Agreement

to

the Bond Agreement

between

J. Lauritzen A/S
("Issuer")

and

Nordic Trustee ASA
("Bond Trustee")

on behalf of

the bondholders
("Bondholders")

in bond issue

FRN J. Lauritzen A/S Senior Unsecured Bond Issue 2012/2017

This agreement (the "Amendment Agreement") is dated on [date] and entered into between J. Lauritzen A/S as issuer (the "Issuer") and Nordic Trustee ASA as bond trustee (the "Bond Trustee").

1. The Scope of the Amendment Agreement

The Amendment Agreement comprises of amendments to the Bond Agreement "FRN J. Lauritzen A/S Senior Unsecured Bond Issue 2012/2017" with ISIN 001066184.6, based on the resolution adopted by the Bondholders' Meeting on [date] 2017.

2. Amendments to the Bond Agreement

The Bond Agreement is hereby amended as follows:

- (i) Clause 1 (Interpretation) of the Bond Agreement shall be amended by the addition of the following new definitions:

"Amendment Effective Date" means the date the amendments set out in the Amendment Agreement will take effect, as specified in Clause 5 (Commencement) of the Amendment Agreement.

- (ii) Clause 1 (Interpretation) of the Bond Agreement shall be amended by adjusting the definition of "Maturity Date" to read as follows:

"Maturity Date" means 24 October 2021 or an earlier maturity date as provided for in this Bond Agreement. Any further adjustment may be made according to the Business Day Convention.

- (iii) Clause 1 (Interpretation) of the Bond Agreement shall be amended by adjusting the definition of "Equity Ratio" to read as follows:

"Equity Ratio" means the ratio of Book Equity to Total Assets. However, if the accounting principles applied in the Issuer's Financial Statements (or, as applicable, Semi-annual Financial Reports) are at any time different from the accounting principles applied in the Issuer's Financial Statements for the 2016 financial year (the "2016 Accounting Principles"), the Issuer may prepare audited pro-forma financial statements (or, as applicable, unaudited pro-forma semi-annual financial reports) for the relevant year (or reporting period) based on the 2016 Accounting Principles and the requirement set out in clause 13.5. (b) (Equity Ratio) for the relevant reporting period shall be based on such audited pro-forma Financial Statements (or, as applicable, unaudited pro-forma Semi-annual Financial Reports). Such pro-forma annual reports (or, as applicable, unaudited pro-forma semi-annual financial reports) shall be delivered together with the ordinary Financial Statement (or, as applicable, unaudited Semi-annual Financial Reports) within the time frames set out in clause 13.2 (Information Covenants)."

- (iv) Clause 2.2.1, second paragraph, shall be amended to read as follows:

"The Bonds will be in denominations of NOK 1 each, and rank pari passu between themselves."

- (v) Clause 10 (Maturity of the Bonds and Redemption) of the Bond Agreement shall be amended by the addition of the following new Clause 10.4:

"10.4 Voluntary early redemption - Early Call and Par Call

- (a) The Issuer may redeem part of the Outstanding Bonds in the maximum amount of the NOK equivalent of USD 20,000,000 (the **"Early Call"**) with settlement date on any Business Day from and including:
 - (i) the Amendment Effective Date to, but not including, the date falling three (3) months thereafter at a price equal to 95 per cent. of par value of the Bonds (plus accrued, but unpaid, interest on the redeemed amount).
 - (b) The Issuer may redeem all or parts of the Outstanding Bonds (the **"Par Call"**) with settlement date on any Business Day from and including:
 - (i) the date falling three (3) months after the Amendment Effective Date to, but not including the Maturity Date at a price equal to 100% per cent. of par value of the Bonds (plus accrued, but unpaid, interest on the redeemed amount);
 - (c) Any redemption of Bonds pursuant to Clause 10.4 (a) and (b) above shall be determined based upon the redemption prices applicable on the settlement date of the Early Call or Par Call.
 - (d) The Early Call and Par Call may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least five (5), but not more than fifteen (15), Business Days prior to the proposed settlement date of the Early Call or Par Call. Such notice sent by the Issuer is irrevocable and shall specify the settlement date of the Early Call or Par Call.
 - (e) The Early Call and Par Call exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the Securities Register.
- (vi) Sub-clause (a) (Minimum free cash) of Clause 13.5 (Preservation of equity and Financial Covenants) shall be amended to read as follows:

"The Issuer shall at all times on a consolidated basis maintain Cash and Cash Equivalents of at least USD 25,000,000."

3. Confirmation of the Bond Agreement

All other provisions of the Bond Agreement shall remain in full force.

4. Governing Law

Disputes arising out of or in connection with the Amendment Agreement which are not resolved amicably shall be resolved in accordance with Norwegian law in the Oslo City Court.

5. Commencement

The amendments to the Bond Agreement will take effect immediately.

J. Lauritzen A/S

Nordic Trustee ASA

.....
Issuer

.....
Bond Trustee

This Amendment Agreement has been executed in – 2 – two - copies (originals), of which the Issuer and the Bond Trustee keep one each.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR TO ANY U.S. PERSON (AS DEFINED IN THE CONSENT SOLICITATION AND TENDER OFFER MEMORANDUM).

J. Lauritzen A/S reg. no. (CVR) 55 70 01 17 (the "Issuer") is inviting the holders (the "Bondholders") of its outstanding NOK 500,000,000 floating rate senior unsecured bonds due 2017 (ISIN NO0010661846) (the "Bonds") to (i) tender their Bonds for purchase by the Issuer for cash on the terms set out below (the "Tender Offer"), and (ii) to approve certain amendments (the "Proposals") to the bond agreement governing the Bonds (the "Bond Agreement") at a bondholders' meeting (the "Bondholders' Meeting").

The dry bulk markets have for some time been experiencing a difficult business environment which has adversely impacted the Issuer's financial performance, and the Issuer has responded by undertaking various initiatives to mitigate this situation, including sourcing substantial support in 2016 from Lauritzen Fonden. The impact from the ongoing market conditions are such that the Issuer is currently working on several initiatives to further strengthen the balance sheet and reduce its financial obligations going forward.

The Issuer has entered into discussions with its stakeholders to find a sustainable long term solution that includes contributions and support from all stakeholder groups, including an injection of USD 30,000,000 in cash equity from its owner, Lauritzen Fonden, and an amortization reduction and maturity extension by its secured lenders (as further described in the Summons (as defined below)). As part of such long term solution, the Issuer is inviting Bondholders to tender their Bonds for cash and requests Bondholders to approve the Proposals for amending the terms and conditions relating to the Bonds to extend the maturity for the remaining outstanding Bonds to 24 October 2021 as set forth in the consent solicitation and tender offer memorandum dated 24 February 2017 (the "**Consent Solicitation and Tender Offer Memorandum**"). The details of the Proposals and the conditions related thereto are further specified in the summons to the Bondholders Meeting (the "**Summons**"), enclosed hereto.

Tender Offer regarding the outstanding Bonds

Pursuant to the Tender Offer, the Issuer proposes to accept for purchase an aggregate nominal amount of up to an amount corresponding to the NOK equivalent of USD 20,000,000, (calculated on the relevant time of exchange), less (i) any exchange fees and (ii) the aggregate amount of Amendment Fees and Early Consent Fees that become payable to the Bondholders (the "**Take-Out Funds**"). The cash purchase price for Bonds validly tendered equals 95.000 per cent of the nominal amount in respect of the Bonds plus accrued and unpaid interest. If the aggregate nominal amount of Bonds tendered for purchase is greater than the amount of the Take-Out Funds the Issuer will accept Bonds tendered on a pro rata basis. If the Bonds tendered for purchase is less than the amount of the Take-Out Funds, the Issuer proposes to introduce the Early Call, as defined in the Summons, intended to only cover the difference between the tender take-up and the available Take-Out Funds.

A Bondholder who tenders its Bonds by submitting an instruction to this effect (the "**Tender and Voting Instruction**") as specified in the Consent Solicitation and Tender Offer Memorandum shall also be deemed to have given its consent to the Proposals and will be eligible to receive the Early Consent Fee and the Amendment Fee as described below.

To participate in the Tender Offer, a Bondholder must submit a valid Tender and Voting Instruction via its nominee (if applicable) to the Tender & Paying Agent. The Tender Offer will remain open until 12:00 (CET) on 8 March 2017. The completion of the Tender Offer is subject to the fulfillment of certain conditions, as further described in the Summons and in the Consent Solicitation and Tender Offer Memorandum (the "**Closing Conditions**"), and, if settlement occurs, the settlement date will be announced no later than 14 June 2017 (the "**Long Stop Date**").

Contacts:

Mads P. Zachø, CEO, phone + 45 33 96 82 00

Consent Solicitation from Bondholders

A Bondholder who delivers either a valid Tender and Voting Instruction or a valid voting instruction (a "**Consent Voting Instruction**") to the Tender & Paying Agent in favour of the Proposal before 12:00 (CET) on 8 March 2017 (the "**Early Consent Fee Deadline**") will be eligible to receive an early consent fee of 1.000 per cent in respect of the Bonds for which a vote has been cast (the "**Early Consent Fee**") if such fee becomes payable.

All Bondholders will receive an amendment fee (the "**Amendment Fee**") of 2.000 per cent of the nominal of bonds held if the Proposals are passed and the Closing Conditions are met, irrespective of how and if votes were cast, cf. the Summons section 4.

A Bondholder who votes in person or represented by proxy (other than either a Tender and Voting Instruction or a Consent Voting Instruction to the Solicitation Agents) at the Bondholders' Meeting or the Repeated Bondholders' Meeting, or who delivers a vote directly to the Trustee, will not be eligible to receive the Early Consent Fee. Bondholders are advised to read carefully the Consent Solicitation and Tender Offer Memorandum for full details of and information on how to participate in the Consent Solicitation and Tender Offer. The deadline for submission of valid Consent Voting Instructions is before 12:00 (CET) on 13 March 2017 (the "**Final Consent Deadline**").

Provided that the Closing Conditions are met and the amendments to the Bond Agreement shall become effective, the Issuer shall, within 10 Business Days of an announcement from the Issuer whether it will accept any of the Bonds tendered to it by the Bondholders (the "**Tender Acceptance Announcement**"), pay the Amendment Fee to all Bondholders, pay the Early Consent Fee to those Bondholders from whom valid Consent Voting Instructions or Tender and Voting Instructions in favour of the Proposals are received by the Tender & Paying Agent before the Early Consent Fee Deadline, and settle the cash element for the Bonds accepted for tender. The Tender Acceptance Announcement will include details of the record date for the payment of the Amendment Fee.

The Bondholders' Meeting will be held at the offices of Nordic Trustee ASA, Haakon VII's gt 1, 0161 Oslo, 6th floor at 09:00 (CET) on 14 March 2017.

In order to participate in the Tender and thereby also the Consent Solicitation, investors are requested to submit a Tender and Voting Instruction to the Tender & Paying Agent.

In order to only participate in the Consent Solicitation, investors are requested to submit a Consent Voting Instruction to the Tender & Paying Agent.

To receive copies of the Tender and Consent Solicitation Memorandum or for questions relating to the Tender Offer or the Consent Solicitation, please contact the Solicitation Agents.

Tender & Paying Agent:

Nordea Danmark, filial af Nordea Bank AB (publ), Sverige,
+45 6161 2996, nordealiabilitymanagement@nordea.com

Solicitation Agents:

Danske Bank A/S,
+47 2286 1387, sfj@danskebank.com

Nordea Danmark, filial af Nordea Bank AB (publ), Sverige,
+45 6161 2996, nordealiabilitymanagement@nordea.com

Skandinaviska Enskilda Banken AB (publ),
+47 2282 7014, arild.pettersen@seb.no

Contacts:

Mads P. Zachø, CEO, phone + 45 33 96 82 00