

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

To the bondholders in:

ISIN: NO0010753437 - 7.25 per cent Norwegian Air Shuttle ASA Senior Unsecured Bond Issue 2015/2019

Oslo, 22 January 2016

Notice of resolution by the Bond Trustee

1. Introduction

Nordic Trustee ASA (the "Bond Trustee") acts as trustee for the holders of the Bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO 001 075343.7 (the "**Bonds**" or the "**Bond Issue**").

All capitalised terms used herein shall have the meaning assigned to them in the bond agreement dated 9 December 2015 made between the Bond Trustee and the Issuer (the "**Bond Agreement**") unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Agreement.

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

2. Background

Reference is made to clause 13.3 (k) (*Negative pledge*) of the Bond Agreement:

"(k) *Negative pledge*

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any shares in Arctic Aviation or any of its Subsidiaries."

The Bond Trustee has been approached by the Issuer who wishes to clarify the above provision. The Issuer has stated that this clause shall restrict the Issuer and any other Group Company from establishing (or allowing to subsist) any Security over any shares in Arctic Aviation as well as any other entity being a direct subsidiary of the Issuer, but is not intended to restrict the Issuer from undertaking aircraft financings in subsidiaries of Arctic Aviation, including granting security over the shares in such subsidiaries.

Reference is made to the preliminary offering memorandum dated 18th November 2015 (the "**Offering Memorandum**"), prepared by the Issuer in connection with the Bond Issue. As set out in the annual report of the Issuer for 2014 (published on [PO Box 1470 Vika, N-0116 Oslo, Haakon VIIs gate 1, Oslo](http://www.norwegian.no/globalassets/ip/documents/about-us/company/investor-relations/reports-</p></div><div data-bbox=)

and-presentations/annual-reports/norwegian-annual-report-2014-printer-friendly.pdf), as incorporated by reference in the Offering Memorandum:

- (i) In December 2014, the Issuer transferred its aircraft purchase contracts to Arctic Aviation for the purpose of leasing aircraft to internal and external operators. All future deliveries of aircraft on order will be received in Arctic Aviation and special purpose vehicles incorporated as subsidiaries of Arctic Aviation, and the Issuer as operator will receive aircraft on operating leases therefrom.
- (ii) In accordance with airline industry market practice the Issuer's total aircraft order is not fully financed. The financing will be made on a periodic basis, depending on the schedule of aircraft delivery. The Issuer has historically utilized aircraft financing institutions, like the Export-Import Bank of the United States Bank (Ex-Im) and European Export Credit Agencies, as its primary funding source in relation to aircraft acquisitions, in addition to EETCs and Sale and leaseback arrangements, and is dependent on access to one of these to finance the delivery of aircraft.
- (iii) The aircraft financing is customarily secured by security, inter alia, in the aircraft itself as well as shares in the special purpose vehicle under Arctic Aviation owning the aircraft, confer notes 11, 22, 23 and 25 to the consolidated financial statement of the Issuer for the accounting year 2014.

The Issuer will continue its established practice relating to secured aircraft financing as described above, in the interest of all stakeholders. The Issuer is of the firm belief that clause 13.3 (k) of the Bond Agreement allows the continuation of this established practice.

The Issuer has stated that the clause shall restrict Security to be taken over the shares in Arctic Aviation as well as any other and all Subsidiary being directly owned by the Issuer, hereunder the Issuer's operational Subsidiaries directly owned by the Issuer. The proposed new clause 13.3 (k) will clarify this.

On this basis the Issuer has asked the Bond Trustee to agree to a clarification of clause 13.3 (k) (*Negative Pledge*) of the Bond Agreement, in accordance with the proposal in section 3 below.

3. The proposal

The Issuer has proposed (the "**Proposal**") to amend Clause 13.3 (k) (Negative pledge) in the Bond Agreement from the following wording:

"(k) Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any shares in Arctic Aviation or any of its Subsidiaries."

to instead read as follows:

"(k) Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any shares in Arctic Aviation or any other direct Subsidiary of the Issuer."

4. Decision by the Bond Trustee

The Bond Trustee may, pursuant to Clause 17.1.4 of the Bond Agreement reach decisions binding for all Bondholders. Pursuant to this Clause, the Bond Trustee may agree to the Proposal provided that prior notification has been made to the Bondholders.

This letter shall be regarded as such notification and the Proposal described in item 3 (The Proposal) above will be considered approved with binding effect on all Bondholders and the Bond Agreement will be considered amended accordingly if no Bondholder submits a written protest within the deadline set out below.

Pursuant to Clause 17.1.4, the Bond Trustee may not decide on the Proposal in the event that any Bondholder submits a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline cannot be less than five Business Days from the dispatch of this notification.

The deadline for submitting written protests against the Proposal has been set to 16:00 CET on Wednesday 5 February 2016 (the "**Cut-off Time**"). Any written protests must accordingly be received by the Bond Trustee no later than at the Cut-off Time.

Any written protests can be sent using the following contact information:

if by e-mail, to:

post@nordictrustee.com

if by courier, to:

Nordic Trustee ASA
Att. Jørgen Andersen
Haakon VII g 1,0161 Oslo,
Norway.

Bondholders may contact the Bond Trustee for further information:

Nordic Trustee ASA
Att. Jørgen Andersen
E-mail: andersen@nordictrustee.com
Phone: +47 22 87 94 21 / +47 90 84 30 33

The Bond Trustee may request that Bondholders submitting such a written protest provide proof of holding to the Bond Trustee.

5. Evaluation by the Bond Trustee

The Bond Trustee has received information from the Managers and from the Issuer stating that Clause 13.3 (k) (Negative pledge) of the Bond Agreement was not intended to restrict aircraft financings where Security is established over the shares in a Subsidiary of Arctic Aviation, but was only intended to restrict that Security was taken over the shares in a Subsidiary directly owned by the Issuer. The Bond Trustee is of the opinion that the Proposal is in line with these intentions.

6. Non-reliance

The Proposal and this letter is put forward to the Bondholders without further evaluation or recommendation by the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and act accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisors regarding the effect of the Proposal.

Yours sincerely
Nordic Trustee ASA


Jørgen Andersen