

*Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.*

To the bondholders in:

**ISIN NO 0010673734**

**9 per cent Sea Trucks Group Limited Senior Secured  
Callable Bond Issue 2013/2018**

Oslo, 6 February 2018

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

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

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

Unless otherwise stated herein, all capitalised terms used but not defined in this summons (the "**Summons**") shall have the meaning given to them in the bond agreement for the Bond Issue originally dated 25 March 2013 (as amended and restated from time to time) and entered into between the Issuer and the Bond Trustee (the "**Bond Agreement**").

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

**PLEASE NOTE THAT THE PROPOSAL IN THIS SUMMONS CONTAINS A REQUEST FOR BONDHOLDERS TO RETURN THE TOHL SHARE ISSUANCE FORM (AS DEFINED BELOW) ON OR BEFORE 13:00 (OSLO TIME) ON MONDAY 12 FEBRUARY 2018 (TO THE EXTENT POSSIBLE) IN ACCORDANCE WITH THE INSTRUCTIONS ON SUCH FORM. THE TOHL SHARE ISSUANCE FORM WILL BE UPLOADED TO STAMDATA SEPARATELY BY THE BOND TRUSTEE AND WILL ALSO BE AVAILABLE ON REQUEST TO AKIN GUMP LLP. PLEASE REFER TO SECTION 3.4(ii) BELOW FOR FURTHER DETAILS.**

**IF THE PROPOSAL IN THIS SUMMONS IS APPROVED BY BONDHOLDERS, TRADING OF THE BONDS WILL ALSO TEMPORARILY BE SUSPENDED, FOR A PERIOD OF ONE (1) BUSINESS DAY FROM THE RECORD DATE (AS DEFINED IN SECTION 3.4(ii) BELOW).**

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

## 2. BACKGROUND

### 2.1 Appointment of Liquidators

The Issuer is the parent company of an international group of companies, which offers offshore installation, accommodation and marine support services to the oil and gas industry worldwide.

As has previously been communicated to Bondholders, various Events of Default have occurred under the Bond Agreement, including an Event of Default in relation to the Issuer's non-payment of interest in accordance with the terms of the Bond Agreement.

In view of the existence of various Events of Default under the Bond Agreement, on 30 April 2017, the Bondholders instructed the Bond Trustee to accelerate the debt due under the Outstanding Bonds, which resulted in the full balance of approximately USD 482,000,000 becoming immediately due and payable (the "**Debt**"). On the same date, the Issuer advised the Bond Trustee that it was unable to repay the Debt.

On 1 May 2017, the Bond Trustee filed an Originating Application for the appointment of joint liquidators to the Issuer (the "**Liquidation Application**"). The Liquidation Application was heard on 12 June 2017, and by Order of the Eastern Caribbean Supreme Court in the High Court of Justice British Virgin Islands, Chad Griffin of FTI Consulting LLP and Ian Morton of FTI Consulting (BVI) Limited, were appointed as Joint Liquidators of the Issuer on that date pursuant to Section 159(1) of the Insolvency Act, 2003 (the "**Liquidators**").

The Issuer's subsidiaries (the "**Subsidiaries**") are not currently subject to any insolvency proceedings and the appointment of the Liquidators has had no direct impact on the day-to-day operations of the Group. The current directors of the Subsidiaries (together with the directors of the Issuer, the "**Current Directors**") and management team of the Subsidiaries have retained control of the Subsidiaries, which remain fully operational.

### 2.2 Liquidity

Following their appointment, the Liquidators worked with management to understand the Group's liquidity position. The Group's base case short term cash flow forecast showed limited headroom and potential uncertainty around the timing of certain cash flows.

Consequently, management and the Liquidators determined it necessary to seek further funding for the Group in the amount of USD 25,000,000 (the "**Additional Liquidity**"). In view of the Issuer's liquidation and the existing level of debt within the Group, it was determined that the only feasible source of new financing would be from the Bondholders by way of a further bond issuance (the "**Liquidity Bonds**" and the holders thereof, the "**Liquidity Bondholders**").

On 15 June 2017, a summons was issued pursuant to which the Bondholders were invited to vote on whether they were in favour of the Issuer's subsidiary, Sea Trucks International Limited ("**STIL**"), seeking the Additional Liquidity (the "**Liquidity Proposal**"). Sufficient affirmative votes were received from the Bondholders and the Liquidity Proposal became

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

### 2.3 Business Plan

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

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

### 2.4 Commercial and Litigation Actions

As reported previously by the Liquidators in their statutory reports to the BVI court (shared with Bondholders via Stamdata), the proceedings in relation to the Jascon 30 are one of a number of legal and commercial actions involving the Group. The actions taken by the Group to date have been aimed at protecting and recovering the Group's assets and recovering amounts owed to the Group by WAV. In addition, WAV has also launched a number of commercial and legal actions against the Group in Nigeria, which the Group is defending.

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

In support of the termination of the charter agreements, the Group has launched arbitration proceedings in London. These proceedings are in addition to other arbitration proceedings

commenced by the Group in London which are all aimed at recovering certain vessels owned by the Group that are currently held by WAV.

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

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

- (i) WAV commenced proceedings in Nigeria asserting co-ownership of several vessels owned by Group companies. On 14 December 2017, the relevant Nigerian court ruled in favour of the Group’s position that the proceedings before the court should be stayed in favour of arbitration in London. WAV has sought leave to appeal the decision of the first instance judge and additionally sought to appeal the stay granted in favour of the arbitration proceedings. WAV’s appeal in turn has been opposed by the Group;
- (ii) pursuant to an arrest application brought by WAV, the Jascon 30 has been subject to arrest since April 2017 at its location in port at Onne, Nigeria. A decision on the Group’s preliminary objections in this case was handed down on 15 January 2018 in which the preliminary objections brought by the Group were dismissed and a date was set for a substantive hearing in March 2018. The Group has filed an appeal against this judgement;
- (iii) WAV has brought separate proceedings, which seek to assert that the Group is party to an alleged “non-compete” agreement (the “**NCA**”) which WAV argues prevents it from operating in Nigeria and West Africa. The latest hearing in these proceedings in Nigeria took place on 16 January 2018. The hearing resulted in a postponement of the hearing for both preliminary objections and substantive matters to 15 February 2018. Additionally, the Liquidators, exercising their powers under BVI law, have given notice to the BVI court of a disclaimer of the NCA. This action is without prejudice to their and the Group’s views, set out in legal submissions in the pertinent proceedings that the NCA is not a valid document and, further, that for various different reasons, the Issuer and the vessel owning Subsidiaries are not bound by it;
- (iv) a Nigerian court hearing in the proceedings brought by certain Group companies against WAV and Guaranty Trust Bank plc (“**GTB**”) over a collateralized account at GTB was scheduled to take place on 18 January 2018, but notice was given that the presiding judge was transferred to a different court. As such, a new presiding judge is expected to be appointed imminently and a new hearing date scheduled;

- (v) various Group companies have commenced arbitration proceedings in London aimed at recovering certain vessels owned by the Group that are currently held by WAV. The arbitrator gave WAV a deadline of 11 January 2018 to appear and file its defence in the arbitration, which WAV failed to meet. The arbitration is now expected to proceed in line with the timetable set by the arbitrator. A one day hearing in this arbitration has been set for 19 April 2018. The hearing will take place in London; and
- (vi) in addition to the arbitration proceedings referenced above, Group companies have commenced arbitration proceedings in London aimed at recovering certain vessels owned by the Group that were formerly held by WAV under bareboat charter agreements that have since been terminated or expired. A one day hearing in this arbitration has been set for 11 April 2018. The hearing will take place in London.

### 3. PROPOSED RESTRUCTURING

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

In broad terms, the Restructuring would involve the sale of the DP3 fleet (excluding the Jascon 30) and business to a newly incorporated group of companies owned by the Bondholders. The Bondholders will exchange their Bonds for (i) shares in the new holding company which would acquire the DP3 fleet (excluding the Jascon 30) and business, and (ii) bonds issued by a direct subsidiary of that new holding company. The newly incorporated companies are neither successors to, or related to, the existing Group.

This Summons contains the resolutions required to implement the Restructuring.

Bondholders should note that the implementation of the Restructuring will be subject to the following conditions (together, the “**Conditions**”):

- (i) the requisite number of Liquidity Bondholders also providing their consent to the Restructuring pursuant to STIL’s request for a written resolution of the Liquidity Bondholders dated on or around the date hereof; and
- (ii) none of the Transferring Companies (as defined below) having entered into any insolvency procedure (or any analogous proceeding in any jurisdiction), whether voluntary or involuntary, without the prior written approval of the Bond Trustee.

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

### 3.1 Overview of the Restructuring Steps

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

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

- (i) fixed charge receivers will be appointed by the Bond Trustee to the members of the Group which own the Jascon 25, the Jascon 31 and the Jascon 34 (the “**Vessel Sellers**”);
- (ii) the Outstanding Bonds (including accrued cash pay interest thereon) will be transferred by Bondholders to a newly incorporated direct subsidiary of TOHL, Telford Offshore Limited (“**TOL**”), in exchange for (1) new senior secured bonds issued by TOL in an amount of USD 175,000,000 (the “**Tranche B Bonds**”), and (2) an entitlement to receive 100% of the shares in TOHL;
- (iii) one third (1/3) by value of the outstanding Liquidity Bonds (after taking into account the redemption price of 105% of par which will be payable on the Liquidity Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be repaid by TOL, using a portion of the cash subscription proceeds to be received by TOL from certain subscribers (the “**Tranche A1 Bondholders**”) for new super senior secured bonds to be issued by TOL in an amount of USD 38,000,000 (the “**Tranche A1 Bonds**”). The balance of the cash subscription proceeds from the issuance of the Tranche A1 Bonds will be used by the NewCo Group for working capital purposes, save that USD 10,000,000 of such cash subscription proceeds will be retained by TOL in a bank account which will be blocked and secured in favour of the security agent under the TOL Bond Agreement (as defined below). The Tranche A1 Bonds will be issued at an original issue discount of 6%;
- (iv) the remaining two thirds (2/3) by value of the outstanding Liquidity Bonds (after taking into account the redemption price of 105% of par which will be payable on the Liquidity Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be cancelled in exchange for the issuance by TOL of further new senior secured bonds to the Liquidity Bondholders (the “**Tranche A2 Bonds**”, and the “**Tranche A2 Bondholders**”, together with the Tranche A1 Bonds and the Tranche A1 Bondholders being the “**Tranche A Bonds**” and the “**Tranche A Bondholders**”, and the Tranche A Bonds together with the Tranche B

Bonds being the “**TOL Bonds**”). The Tranche A2 Bonds will be issued to the Liquidity Bondholders on a *pro rata* basis, at an original issue discount of 6%;

- (v) the Tranche A Bonds and the Tranche B Bonds will be constituted in a single bond agreement and will be delivered to the Tranche A Bondholders and the Bondholders, respectively, via the VPS system. To replicate the existing relationship between the Bonds and the Liquidity Bonds, the Tranche A Bonds will rank senior to the Tranche B Bonds. Both the Tranche A Bonds and the Tranche B Bonds will benefit from the same extensive guarantee and security package;
- (vi) each of the DP3s will be sold by the relevant Vessel Seller (acting through its fixed charge receivers) to the NewCo Group;
- (vii) in order to provide operational support for the DP3s post-completion of the Restructuring, the Issuer (acting through the Liquidators) will also sell the existing DP3 operating business to the NewCo Group. The sale of the existing DP3 operating business to the NewCo Group will be implemented pursuant to a sale by the Issuer (acting through the Liquidators) of certain Subsidiaries (the “**Transferring Companies**”);
- (viii) post-completion of the Restructuring, the Issuer (in liquidation) will remain the parent company of a corporate group (the “**OldCo Group**”) which will primarily consist of vessel owning entities which hold the OOIM Vessels. The OOIM Vessels vary by type but are generally smaller service vessels operating in Nigeria. With the exception of the Jascon 30, no assets or operational functions which are material to the DP3 business would remain within the OldCo Group; and
- (ix) post-completion of the Restructuring, the Liquidators and the OldCo Group (with the support of certain local authorities) will continue with the Actions seeking (among other matters) to repossess the Jascon 30 and the OOIM Vessels for the benefit of TOL in its capacity as the sole Bondholder and the OldCo Group’s secured creditor and will continue with other investigations and potential legal actions in connection with certain historical transactions which the Liquidators believe may have prejudiced Bondholders and the Group. The Restructuring also contemplates certain arrangements being put in place between the NewCo Group and the OldCo Group in relation to the funding and supervision of the Actions, the ongoing investigations, certain other legal actions and the subsequent wind-down of the OldCo Group.

Additional detail on certain of these steps is provided below.

### 3.2 Receivership Appointments

In contemplation of the Restructuring, and for the purposes of facilitating the potential award of a commercial contract to the NewCo Group, on 6 November 2017, the Bond Trustee received a written instruction from more than 50% of the Bondholders to appoint fixed charge receivers over the Jascon 28, being a vessel owned, at that time, by Nemo Enterprises

Limited (“**Nemo**”). Following receipt of this Bondholder instruction, on 6 November 2017, Chad Griffin and Simon Kirkhope, both of FTI Consulting LLP, were formally appointed by the Bond Trustee as joint fixed charge receivers over the Jascon 28 (the “**Jascon 28 Receivers**”) and on that same date, Nemo (acting through the Jascon 28 Receivers) sold the Jascon 28 to Telford 28 Limited, an indirect subsidiary of TOHL and TOL, pursuant to the terms of a sale and purchase agreement entered into between Nemo, the Jascon 28 Receivers, TOL and Telford 28 Limited (the “**J28 SPA**”). The consideration for the sale of the Jascon 28 was deferred. Please see section 3.6 below for further details as to when this consideration will be payable.

As explained in this Summons, it is proposed that the Bond Trustee will also appoint joint fixed charge receivers over the DP3 vessels owned by each of the other Vessel Sellers (the “**Receivers**”). The Bond Trustee shall be authorised to select the identity of the Receivers in consultation with its professional advisers and the Ad-hoc Committee. The appointment of the Receivers is a preliminary step aimed at ultimately facilitating a sale of the remaining DP3s by the Vessel Sellers to the NewCo Group (see sections 3.3 and 3.6 below for further details).

### 3.3 Signing of SPA

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

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

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

The consideration for the Vessel Sales, and the sale of the Jascon 28 (being (i) a partial release of STGL’s obligations to TOL to repay amounts due under the Outstanding Bonds in an amount equal to USD 215,000,000 and (ii) a release of each Vessel Seller from the limited recourse covenant to pay which it has given in respect of the Bonds under the relevant existing security documents), and part of the consideration for the Non-Vessel Sale (being a release of STIL from its obligations in respect of the Liquidity Bonds) will, in each case, be deferred until such time as, respectively, TOL acquires all of the Outstanding Bonds pursuant to the Bond Claims Transfer (see section 3.4(i) below) and all of the outstanding Liquidity Bonds are repaid in cash or in kind in accordance with the transaction documents relating to the Restructuring.

**3.4 Bonds to be transferred to TOL in consideration for (i) shares in TOHL, and (ii) new bonds issued by TOL**

(i) *Transfer of Bonds*

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

(ii) *TOHL Share Issuance*

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

TOHL will issue up to 10,000,000 new ordinary shares to the Bondholders (the “**TOHL Shares**”). Following the issuance of the TOHL Shares, TOHL will cancel the Original Subscriber Share which was issued to, and is currently held by, Estera Trust. Each Bondholder shall be entitled to receive approximately one TOHL Share for every USD 45.60611 principal amount of Bonds it holds as at 9am Oslo time on Friday 9 February 2018 (the “**Record Date**”) (the “**Share Issuance**”). The TOHL Shares will be issued in registered form but no share certificates will be provided unless a request for a share certificate is made by a shareholder to TOHL.

A copy of the articles of association to be adopted by TOHL (the “**TOHL Articles**”) is appended hereto at Schedule 3.

In order to receive their *pro rata* entitlement of TOHL Shares, each Bondholder will need to complete the share issuance form to be made available to Bondholders by the Bond Trustee (the “**TOHL Share Issuance Form**”). The TOHL Share Issuance Form will be uploaded to [www.stamdata.com](http://www.stamdata.com) separately, and will also be available on request to Akin Gump LLP using the contact details in section 7 below. Each Bondholder must return its completed TOHL Share Issuance Form to TOHL after the Record Date, c/o the Bond Trustee and Akin Gump LLP ([mail@nordictrustee.no](mailto:mail@nordictrustee.no) and [SeaTrucks@akingump.com](mailto:SeaTrucks@akingump.com)), in accordance with the instructions on such form. In particular, Bondholders are advised that in order to receive their *pro rata* entitlement of TOHL Shares, they must provide (a) proof of the principal amount of Outstanding Bonds that they hold as at the Record Date in a form reasonably acceptable to the directors of TOHL; and (b) all details required by Annexure 1 to the TOHL Share Issuance Form.

Please note that:

- (a) any Bondholder who properly completes and returns to TOHL its TOHL Share Issuance Form after the Record Date (together with the requested KYC information set out in annexure 1 thereof and proof of holdings) on or before 13:00 (Oslo time) on

Monday 12 February 2018 (the “**Completion Date**”) (the “**Identified Existing Bondholders**”) will be issued with its allocation of TOHL Shares on the Completion Date; and

- (b) any Bondholder who fails to properly complete and return to TOHL its TOHL Share Issuance Form after the Record Date (together with the requested KYC information set out in annexure 1 thereof and proof of holdings) on or before 13:00 (Oslo time) on the Completion Date (each such Bondholder, an “**Unidentified Shareholder**”) will not be issued with its allocation of TOHL Shares on the Completion Date. Any unallocated TOHL Shares will be held on trust (such trust being the “**Shares Trust**”) by Estera Trust for any Unidentified Shareholders pursuant to a trust agreement to be entered into between Estera Trust and TOHL on or around the Completion Date. Unidentified Shareholders who subsequently properly complete and return to TOHL and Estera Trust the TOHL Share Issuance Form at any time up to one week following the Completion Date will receive their allocation of TOHL Shares from the Shares Trust promptly following receipt by TOHL and Estera Trust of such TOHL Share Issuance Form and other information requested therein. Prior to the first anniversary of the Completion Date, Bondholders can receive their allocation of TOHL Shares from the Shares Trust by contacting Estera Trust at the address set out in the TOHL Share Issuance Form and completing and submitting a confirmation letter which will be provided by Estera Trust (please note that the confirmation letter is similar to, but not identical to, the TOHL Share Issuance Form). TOHL Shares for which a properly completed TOHL Share Issuance Form has not been received by the first anniversary of the Completion Date will be cancelled.

Please note that the receipt by each Bondholder of its entitlement to the TOHL Shares pursuant to the Share Issuance is outside the control of the Bond Trustee and regular Securities Depository mechanics, and it is each Bondholder’s individual responsibility to take the required actions described above in order to obtain TOHL Shares. The Issuer, the Bond Trustee, the Issuer’s advisers and representatives, and the Bond Trustee’s advisers and representatives shall not be liable to any person in respect of the underlying supporting calculation of entitlements or allocations (or lack thereof) of any Bondholder with respect to the TOHL Shares.

(iii) *TOL Bond Issuance*

In consideration for the Bond Claims Transfer, Bondholders will also receive the Tranche B Bonds, issued by TOL in an aggregate principal amount of USD 175,000,000 on the Completion Date. The Tranche B Bonds will be issued to Bondholders *pro rata* to the principal amount of their Outstanding Bonds.

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

Bonds) (together with all accrued and unpaid cash pay and payment-in-kind interest thereon) will be exchanged for the Tranche A2 Bonds. The Tranche A2 Bonds will be issued to the Liquidity Bondholders on a *pro rata* basis, at an original issue discount of 6%. The holders of the Tranche A1 Bonds will benefit from certain protections against fundamental changes being made to the terms of the Tranche A1 Bonds. Likewise, holders of the Tranche A2 Bonds will benefit from certain protections against fundamental changes being made to the terms of the Tranche A2 Bonds. Otherwise, the Tranche A1 Bonds and the Tranche A2 Bonds will be issued on exactly the same terms.

The Tranche A Bonds and the Tranche B Bonds will be constituted in a single bond agreement (the “**TOL Bond Agreement**”) to be entered into by TOL (as issuer) and Nordic Trustee AS in its capacity as bond trustee for the TOL Bonds (the “**TOL Bond Trustee**”). A copy of the TOL Bond Agreement is appended hereto at Schedule 4.

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

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

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

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

*(iv) Security and Guarantees for TOL Bonds*

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

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

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

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

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

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

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

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

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

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

(vi) *Receipt of TOL Bonds and TOHL Shares*

To facilitate the issuance of the TOHL Shares, there will be a suspension of trading on the Bonds during the period from and including the Record Date until the Completion Date (expected to be 1 Business Day after the Record Date).

Bondholders will, without any further action required on their part, receive their *pro rata* allocation of Tranche B Bonds shortly after the suspension of trading has lapsed. In order to receive their *pro rata* allocation of TOHL Shares at the same time, Bondholders must,

however, have validly completed and returned a TOHL Share Issuance Form in accordance with section 3.4(ii) above.

Pursuant to Clause 18.4.2 of the Bond Agreement, the Bond Trustee has access to the Securities Depository for the purposes of reviewing the ownership of the Bonds registered in the Securities Depository in order that it may carry out its functions and obligations under the Bond Agreement. The Bond Trustee shall be given authority by Bondholders for the aforementioned authorisation to apply in respect of the issuance of the Tranche B Bonds to Bondholders by TOL (the “**Securities Depository Authorisation**”).

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

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

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

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

In order to facilitate the Restructuring, pursuant to certain deeds of settlement and release entered into between various entities within the Group (the “**Claims Release Agreements**”), certain intercompany claims between members of the Group will be assigned, set-off or released, such that most of the claims between entities within the OldCo Group and the Transferring Companies will be released. Accordingly, the principal outstanding debt that will exist between the NewCo Group and the OldCo Group post-completion of the Restructuring will be the Bonds and any future debt incurred pursuant to the Funding

Agreement (as defined in section 3.6 below). The Bond Trustee will enter into a deed of release to release its security interests over any intercompany claims which are currently secured in its favour if and to the extent only that they are to be the subject of the Claims Release Agreements in connection with the completion of the Non-Vessel Sale (the “**Deed of Release of Security over Claims**”).

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

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

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

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

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

repaid in cash, and the balance of the outstanding Liquidity Bonds has been exchanged for the Tranche A2 Bonds, in each case, through the VPS system.

### **3.7 Release**

In order to facilitate, and with effect from the completion of, the Restructuring, the Bond Trustee will also agree to waive any breach of any provision of the Finance Documents that would arise as a result only of a member of the Group entering into, or performing its obligations under, any document relating to the Restructuring and will consent to the members of the Group taking such action. The Bond Trustee will not waive any other Events of Default under the terms of the Bond Agreement which have already occurred or which may occur other than in connection with the implementation of the Restructuring and the Bonds will remain immediately due and payable.

### **3.8 Release of funds from Bond Trustee's account**

As previously communicated to Bondholders pursuant to a notice published on Stamdata dated 15 June 2017, the Bond Trustee acting on instruction from more than 50% of the Voting Bonds previously blocked a Group bank account operated by Rabobank in the name of Sea Trucks Offshore Limited (“**STOL**” and the “**STOL Account**”) pursuant to the terms of an account pledge granted in favour of the Bond Trustee. The Bond Trustee also issued an instruction to Rabobank (as account bank) to transfer the entire balance of the STOL Account (at that time, being EUR 1,555.07 and USD 1,613,395.10) to a specified bank account operated in the name of the Bond Trustee (the “**Trustee Account**”), as security for the future costs and expenses of the Bond Trustee.

Separately, in accordance with a separate written instruction from more than 50% of the Voting Bonds, the Bond Trustee instructed DNB Bank (as account bank) to transfer the entire balance of the Issuer's Debt Service Retention Account (“**DSRA**”) at that time (being USD 512,210.05) to the Trustee Account, as further security for the future costs and expenses of the Bond Trustee. Under the terms of the Bond Agreement and the DSRA account pledge, the DSRA was blocked in favour of the Bond Trustee prior to such transfer being made.

It is proposed that, following completion of the Restructuring, the Bond Trustee will apply the balance of funds in the Trustee Account at that time in partial repayment of the costs and expenses incurred by the advisers to the Bond Trustee in connection with the Restructuring (the “**Fee Payment**”).

## **4. PROPOSED RESOLUTION**

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

“Subject to each of the Conditions being satisfied and to the final paragraph of this resolution, the Bondholders:

- (i) approve and ratify the incorporation of each member of the NewCo Group;

- (ii) approve and ratify the appointment of the Jascon 28 Receivers and the subsequent sale of the Jascon 28 to the NewCo Group which took place on 6 November 2017;
- (iii) approve and/or ratify the sale of certain assets from one Group Company to another Group Company, as specifically required for the purpose of facilitating the Restructuring;
- (iv) approve the appointment of the Receivers;
- (v) approve the Vessel Sales;
- (vi) approve the Non-Vessel Sale;
- (vii) approve the Bond Claims Transfer (including deletion of any residual interest claims in the Securities Depository) in consideration for the issuance to Bondholders of their *pro rata* entitlement of the TOHL Shares and Tranche B Bonds;
- (viii) authorise the Securities Depository Authorisation, and authorise the Bond Trustee to issue any other direction or instruction, enter into any document, and to take any such steps as are required in order for the Bond Claims Transfer to become effective at the appropriate point in time in the Restructuring;
- (ix) approve the issuance of the TOL Bonds and the entry into the TOL Bond Agreement and authorise the Bond Trustee to take any such steps and enter into any such documentation which may be necessary to implement the transactions contemplated by the TOL Bond Agreement, including but not limited to, the relevant security agreements;
- (x) approve the entry into the Deeds of Release and the Subordination Agreement;
- (xi) approve payment of the Fee Payment from the balance of funds in the Trustee Account;
- (xii) instruct the Bond Trustee to (a) waive any provision of the Finance Documents that would otherwise be breached by any member of the Group entering into, or performing its obligations under, any of the documents to be entered into for the purposes of implementing the transactions described herein and any other document relating to the Restructuring, and (b) provide its consent to each member of the Group taking any action or entering into any transaction which that member of the Group is permitted or required to take or enter into under the terms of the documents entered into to implement the transactions described herein and any other document relating to the Restructuring, notwithstanding that such action or transaction is not a permitted action or transaction under the terms of any such Finance Document. For the avoidance of doubt, any Events of Default under the Bond Agreement which have already occurred or may occur other than in connection with the transactions described herein and the implementation of the Restructuring will not be waived;

- (xiii) instruct the Bond Trustee to irrevocably and unconditionally release any and all claims it may have against any Current Director in relation to or in connection with or in any way arising out of (a) the disclosed Events of Default by reference to which the Bond Trustee made demand for the Outstanding Bonds (and the Events of Default resulting from the Issuer's failure to pay the Outstanding Bonds and its entry into liquidation proceedings) and (b) the preparation, negotiation or implementation of the Restructuring, save for any claims which arise out of or result from an act of gross negligence, wilful default or fraud, by that Current Director; and
- (xiv) instruct the Bond Trustee (in consultation with its advisers) to do all things and take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Restructuring, including without limitation:
  - (a) authorising and approving the final terms of, and entering into, any and all documentation and agreements deemed necessary or desirable by the Bond Trustee in connection with the implementation of the Restructuring;
  - (b) taking such steps as may be necessary to appoint not less than three, nor more than five persons to be determined by the Bondholders as directors of TOHL in accordance with the TOHL Articles; and
  - (c) consenting to amendments to the terms of the TOL Bond Agreement and any other document relating to the Restructuring on behalf of Bondholders where such amendments (1) are of a minor or technical nature or (2) are otherwise consistent with the terms of those documents and are required in order to implement the Restructuring, or (3) where they are not of a minor or technical nature but would not adversely affect the position of the Bondholders,

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

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

## **5. NON-RELIANCE**

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

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

The Issuer, the Issuer's agents, advisers and representatives, the Bond Trustee and the Bond Trustee's agents, advisers and representatives shall not be liable to any person in respect of the underlying supporting calculation of entitlements or allocations (or lack thereof) of any Bondholder with respect to the TOHL Shares.

## **6. PRE-ACCEPTANCE**

The Bond Trustee has received confirmation from Bondholders holding in excess of 72% of the Voting Bonds that they will vote in favour of the Proposed Resolution.

## **7. FURTHER INFORMATION**

For further questions to the Bond Trustee, please contact:

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

Any Bondholder who wishes to obtain a copy of the constitutional documents of TOHL and/or a summary of the corporate governance arrangements of TOHL, please contact:

Akin Gump LLP  
Email: [SeaTrucks@akingump.com](mailto:SeaTrucks@akingump.com)

## **8. WRITTEN BONDHOLDERS' RESOLUTION**

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

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

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice

represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting at which all Bondholders entitled to attend and vote thereat were present and voting.

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

- (i) it is, and at the time of receipt of the TOL Bonds and/or TOHL Shares will be, either:
    - a. located outside the United States (within the meaning of Regulation S under the U.S. Securities Act); or
    - b. either:
      - i. a "qualified institutional buyer" ("**QIB**") as defined under in Rule 144A ("**Rule 144A**") of under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); or
      - ii. an institutional "accredited investor" ("**IAI**") within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act; or
      - iii. an entity wholly owned by any person that is an "accredited investor" within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act; or
    - c. if it is located outside the United States (within the meaning of Regulation S under the U.S. Securities Act), and it is a person whose ordinary activities involve it in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of its business and who has professional experience in matters relating to investments, and:
      - i. if it is established in a member state of the European Economic Area ("**EEA**"), it is a "qualified investor" as defined in Article 2.1(e) of Directive 2003/71/EC as amended, including by the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU) and to the extent implemented in the relevant member state of the EEA (the "**Prospectus Directive**"); and
      - ii. if it is established in the United Kingdom, is an investment professional and as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or in Article 49(2)(a) to (d) of the Order ("**UK Qualified Investors**"); or
      - iii. is otherwise a person to whom the TOHL Shares may lawfully be offered under applicable laws and regulations, including as a result of being a person defined in Part I of Annex II of Directive 2004/39/EC and ("permitted investor"),
- it will acquire TOL Bonds and/or TOHL Shares:
- i. for its own account; or
  - ii. for the account of a QIB or IAI and for investment purposes only and not with a view to or for the purposes of offer, resale, or distribution thereof within the meaning of the U.S. Securities Act; or
  - iii. the account of a "qualified investor" as defined in Article 2.1(e) of the Prospectus Directive; or

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

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

Yours sincerely  
**Nordic Trustee AS**



**Olav Slagsvold**

**Enclosed:**

Schedule 1: Voting Form

Schedule 2: NewCo Business Plan

Schedule 3: TOHL Articles

Schedule 4: TOL Bond Agreement

**SCHEDULE 1**

**Voting Form**

**ISIN NO: 001 0673734 – 9 per cent Sea Trucks Group Limited Senior Secured Callable Bond Issue 2013/2018**

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

1. The Proposed Resolution as defined in the Notice for a Written Bondholders' Resolution dated 6 February 2018
  - In favour** of the Proposed Resolution
  - Against** the Proposed Resolution

ISIN NO 001 0673734	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

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

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

.....  
Place, date

.....  
Authorised signature

**Return:**

Nordic Trustee AS  
P.O.Box 1470 Vika  
N-0116 Oslo  
Telefax: +47 22 87 94 10  
Tel: +47 22 87 94 00

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

mailto: [mail@nordictrustee.no](mailto:mail@nordictrustee.no)

**SCHEDULE 2**

**NewCo Business Plan**

## Group Liquidity and NewCo Business Plan

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

The Business Plan contains financial projections relating to both:

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

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

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

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

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

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

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

## Notes:

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

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

**SCHEDULE 3**

**TOHL Articles**

**THE COMPANIES LAW (AS REVISED)**

**AMENDED AND RESTATED**

**MEMORANDUM AND**

**ARTICLES OF ASSOCIATION**

**OF**

**TELFORD OFFSHORE HOLDINGS LIMITED**

(as amended and restated pursuant to a Special Resolution dated 2018)

**THE COMPANIES LAW (AS REVISED)**

**AMENDED AND RESTATED**

**MEMORANDUM OF ASSOCIATION**

**OF**

**TELFORD OFFSHORE HOLDINGS LIMITED**

(as amended and restated pursuant to a Special Resolution dated 2018)

1. The name of the Company is Telford Offshore Holdings Limited.
2. The Company's registered office will be situated at the offices of Estera Trust (Cayman) Limited, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands, or at such other place in the Cayman Islands as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object that is not prohibited by any law of the Cayman Islands.
4. The Company shall have and be capable of exercising all the powers of a natural person of full capacity as provided by law.
5. The liability of the Members is limited to the amount, if any, unpaid on their shares.
6. The authorised share capital of the Company is USD 13,000 divided into 13,000,000 ordinary shares of par value USD 0.001 each.
7. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to apply for deregistration in the Cayman Islands.
8. Capitalised terms that are not defined herein bear the same meaning given to them in the Articles of Association of the Company.

**THE COMPANIES LAW (AS REVISED)**

**AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**OF**

**TELFORD OFFSHORE HOLDINGS LIMITED**

(as amended and restated pursuant to a Special Resolution dated 2018)

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**THE COMPANIES LAW (AS REVISED)**

**AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**OF**

**TELFORD OFFSHORE HOLDINGS LIMITED**

(as amended and restated pursuant to a Special Resolution dated 2018)

**1. INTERPRETATION**

**1.1 Definitions**

1.1.1 Table A of the First Schedule to the Law shall not apply to the Company.

1.1.2 In these Articles, the following terms shall have the following meanings unless the context otherwise requires:

**Acquisition Exchange Issue:** means any issue of Shares to a Third Party seller in connection with an acquisition from such seller of any shares, undertaking or business by any Group Company;

**Affiliate:** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company or any Related Fund of that person and where that person is a fund, any manager or advisor to that fund;

**Articles:** means these articles of association of the Company as amended or supplemented from time to time by Special Resolution;

**Asset Sale:** means a sale, transfer, lease or other disposition by the Company or any other member of the Group to one or more Third Parties on arm's length terms of all or substantially all of the Group's business, assets and undertakings as part of a single transaction or a series of Related Transactions (other than as part of a Group Reorganisation) which may, without limitation, comprise the sale by any Group Company of any Subsidiary if the business, assets and undertakings of such Subsidiary and its Subsidiaries comprise substantially all of the Group's business, assets and undertakings;

**Auditors:** means the auditors for the time being of the Company (if any);

**Board:** means the board of Directors of the Company as constituted from time to time;

**Bondholders:** means the holders of Bonds from time to time;

**Bonds:** means the nine per cent. senior secured callable bonds due 2013/2018 issued by STG;

**Business:** means the provision of offshore accommodation, construction and related services in the oil sector;

**Business Day:** means a day (not being a Saturday or Sunday) on which banks are generally open for business in the Cayman Islands;

**Company:** means Telford Offshore Holdings Limited;

**Compliant WAV Entity:** means a WAV Entity that holds Shares only as a result of an exchange for Bonds pursuant to the terms of the Implementation Deed and/or the Trust Deed (as applicable);

**Connected Person:** in relation to:

- (a) a Member, has the same meaning as in Section 993 of the UK Income Tax Act 2007; and
- (b) JJR, means (i) any spouse, civil partner, or other person with whom JJR lives as partner in an enduring family relationship (a “**Cohabitee**”), children, step-children, minor children or step-children of any Cohabitee, or parents, siblings or siblings of parents, or any of such person’s descendants; (ii) a body corporate in which JJR and persons connected with JJR together (A) are interested in shares comprised in the equity share capital of that body corporate of a nominal value equal to at least 20% of that share capital, or (B) are entitled to exercise or control the exercise of more than 20% of the voting rights at any general meeting of that body corporate; (iii) a person acting in his capacity as trustee of a trust (A) the beneficiaries of which include JJR or a person who by virtue of sub-clauses (i) or (ii) is connected with JJR, or (B) the terms of which confer a power on the trustees that may be exercised for the benefit of JJR or any such person; (iv) a person acting in his capacity as partner or employee (A) of JJR, or (B) of a person who, by virtue of sub-clauses (i), (ii) or (iii), is connected with JJR; (v) a partnership in which (A) JJR is a partner, (B) a partner is a person who, by virtue of sub-clauses (i), (ii) or (iii) is connected with JJR, or (C) a partner is a partnership in which JJR is a partner or in which there is a partner who, by virtue of sub-clauses (i), (ii) or (iii), is connected with JJR; or (vi) any body corporate of which JJR is a director.

**control:** (together with its correlative meanings **controlled by** and **under common control with**) means with respect to any body corporate, the possession, directly or indirectly, of power to direct or cause the direction of management or policies of such body corporate (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise);

**Declined Share Subscriber:** has the meaning given in Article 4.4.2(a);

**Directors:** means the directors for the time being of the Company;

**Electronic Record:** has the same meaning as in the Electronic Transactions Law (as revised) of the Cayman Islands;

**Excluded Issue:** means any issue of Shares or transfer of Shares:

- (a) in connection with an IPO in accordance with the provisions of Article 38 or Group Reorganisation;
- (b) in connection with an Acquisition Exchange Issue;
- (c) pursuant to the MIP or any other Group management incentive scheme approved by the Board with Ordinary Majority Consent pursuant to Article 26.3.1(d); or
- (d) in respect of which a Special Majority agree in writing that the pre-emption rights set out in Article 4.4 shall not apply;

**Existing Bondholders:** means the holders of Bonds as at the Restructuring Date;

**Exit:** has the meaning given in Article 38.1.3;

**Group:** means the Company and its Subsidiaries, and **Group Company** shall mean any of them;

**Group Reorganisation:** means any solvent reorganisation of any Group Company including by merger, consolidation, recapitalisation, amalgamation, transfer or sale of shares or assets, or contribution of assets and/or liabilities, or any liquidation, exchange of securities, conversion of entity, migration of entity, formation of new entity, or any other transaction or group of related transactions (in each case other than to or with a Third Party) in which:

- (a) all holders of the same class of equity securities in the Group (other than entities within the Group) are offered the same consideration in respect of such equity securities;
- (b) the Members' pro rata indirect economic interests in the business of any Group Company relative to each other and all other holders of shares and other equity securities in the Group (other than those held by entities within the Group) are preserved; and
- (c) the other rights of Members under these Articles are preserved in all material respects;

**Holding Company:** means, in relation to a person, any other person in respect of which the first-mentioned person is a Subsidiary;

**Identified Existing Bondholders:** means each of the Existing Bondholders which has satisfied all conditions for being recorded in the Register of Members as a Member (including without limitation the completion and delivery of a Share Issuance Form) on or before the date of the Implementation Deed;

**Implementation Deed:** means the deed to be entered into between, amongst others, the Company, STG and Nordic Trustee AS on or about the date of adoption of these Articles, pursuant to which, amongst other things, the Company issued Shares to Identified Existing Bondholders in exchange for the Bonds;

**Indemnified Person:** means any Director, officer or member of a committee duly constituted under these Articles and any liquidator, manager or trustee for the time being acting in relation to the affairs of the Company, and his heirs, executors, administrators, personal representatives or successors or assigns;

**IPO:** means the admission of the whole of the issued ordinary share capital of the Company or a Holding Company of the Company (formed for such purpose) to trading on a regulated market or other recognised investment exchange;

**JJR:** means Jacobus Johannes Roomans whether known under such name, or any other name or alias;

**Law:** means the Companies Law (as revised) of the Cayman Islands;

**Member:** has the same meaning as in the Law;

**Memorandum:** means the memorandum of association of the Company for the time being;

**MIP:** means the management incentive plan, to be established by the Board and approved by an Ordinary Majority, which is to be made available to certain directors, officers and managers of the Group to provide them with certain entitlements to Shares, in a manner to be determined by the Board in accordance with the terms of the MIP, taking into account appropriate tax advice;

**MIP Shares:** means Shares issued pursuant to the MIP;

**On-going Funding Agreement:** means the agreement between, amongst others, the Company, TOL and certain STG Group Companies dated on or about the Restructuring Date for the provision of working capital advances by TOL to certain STG Group Companies;

**On-going Funding Committee:** has the meaning given in Article 28.4.1;

**Ordinary Majority:** means the holder(s) for the time being of a simple majority of the total number of Shares (excluding MIP Shares);

**Ordinary Majority Consent:** means the prior written consent of an Ordinary Majority including, without limitation, the consent of an Ordinary Majority evidenced by way of passing an Ordinary Resolution passed with the approval of Members constituting an Ordinary Majority;

**Ordinary Majority Reserved Matter:** means those matters set out in Article 26.3.1;

**Ordinary Resolution:** means a resolution:

- (a) passed by a simple majority of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a duly convened general meeting of the Company and where a poll is taken regard shall be had in computing the majority to the number of votes to which each Member is entitled; or

- (b) in writing signed by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

**Pro-Rata Portion:** means where used in relation to each Member (and relative to each other Member) which is not the subject of a Restriction Notice, a proportion calculated by dividing the number of all Shares held by such Member at the relevant time by the total number of Shares then in issue (excluding the Company's treasury shares and any Shares subject to a Restriction Notice);

**Registered Office:** means the registered office for the time being of the Company in the Cayman Islands;

**Register of Members:** means the register of Members to be kept in accordance with the Law and includes every duplicate Register of Members;

**Related Fund:** means, in relation to any person:

- (a) a fund or other entity which (i) is managed or advised by that person or an Affiliate of that person; or (ii) has the same general partner as that person; or
- (b) where that person is a fund, any other entity which is a fund which has the same manager, adviser or general partner as that person or is managed or advised by, or which has a general partner which is, an Affiliate of that person's manager, adviser or general partner (as the case may be);

**Related Transactions:** means any sales of Shares or of the Group's business, assets and undertakings to the same Third Party or its Affiliates that have occurred over a twelve month period;

**Restriction Notice:** has the meaning given in Article 8.2.3;

**Restructuring Date:** means 9:00am (in the Cayman Islands) on the date on which the Company first issues Shares to Identified Existing Bondholders in exchange for their Bonds pursuant to the steps set out in the Implementation Deed.

**Sale:** means the sale of a majority of the Shares in issue from time to time to a Third Party on arm's length terms as part of a single transaction or a series of Related Transactions;

**Seal:** means the common seal of the Company (if any) and includes every duplicate seal;

**Secretary:** means the secretary for the time being of the Company and any person appointed to perform any of the duties of the secretary;

**Share:** means an ordinary share in the capital of the Company, which includes a fraction of a share;

**Share Issuance Form:** means the form appended to these Articles at Appendix 1, as may be amended by the Board from time to time;

**Share Premium Account:** means the share premium account established in accordance with these Articles and the Law;

**Shortfall Portion:** means, in relation to each Declined Share Subscriber, the proportion calculated by dividing the number of all Shares held by such Declined Share Subscriber by the number of Shares held by all Declined Share Subscribers in aggregate, in each case at the relevant time;

**Special Majority:** means the holder(s) for the time being of not less than two thirds of the total number of Shares (excluding MIP Shares);

**Special Majority Consent:** means the prior written consent of a Special Majority including, without limitation, the consent of a Special Majority evidenced by way of passing a Special Resolution passed with the approval of Members constituting a Special Majority;

**Special Majority Reserved Matter:** means those matters set out in Article 26.4.1;

**Special Resolution:** means a resolution that is described as such in its terms:

- (a) passed by a majority of not less than two thirds of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a duly convened general meeting of the Company and where a poll is taken regard shall be had in computing the majority to the number of votes to which each Member is entitled; or
- (b) in writing signed by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

**STG:** means Sea Trucks Group Limited (in liquidation), a company incorporated and registered in the British Virgin Islands with company number 1588282 whose registered office is at the Akara Building, 24 De Castro Street, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands;

**STG Group:** means STG and its Subsidiaries from time to time and "STG Group Company" shall be construed accordingly;

**Subsidiary:** a person is a Subsidiary of another person, its Holding Company, if that other person:

- (a) holds a majority of the voting rights in it;
- (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or

(c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a person that is itself a Subsidiary of that other person;

**Tag-Along Notice:** shall have the meaning given in Article 8.6.1;

**Third Party:** means a person other than:

- (a) a Member; or
- (b) an Affiliate of a Member; or
- (c) a Related Fund of a Member; or
- (d) any person acting in concert with a Member or an Affiliate of a Member; or
- (e) a Connected Person of a Member;

**TOL:** Telford Offshore Limited;

**TOL Articles:** means the articles of association of TOL as amended or supplemented from time to time;

**TOL Board:** means the board of directors of TOL as constituted from time to time;

**TOL Member Reserved Matter:** means any matter which requires the Company's consent pursuant to the TOL Articles;

**TOL Member Reserved Matter Resolution:** has the meaning given in Article 26.5.1;

**Trustee:** means Estera Trust (Cayman) Limited or the trustee or trustees of the trust created by the Trust Deed for the time being.

**Trust Deed:** means the deed of trust dated on or about the date of the Implementation Deed, pursuant to which the Trustee holds the Unclaimed Shares on trust for the Unknown Members;

**Unclaimed Bonds:** means Bonds which the Company has not identified as being owned by Identified Existing Bondholders;

**Unclaimed Shares:** means the Shares which are issued to the Trustee in respect of the Unclaimed Bonds following the issuance of Shares to the Identified Existing Bondholders pursuant to the Implementation Deed; and

**Unknown Members:** means Existing Bondholders who are not Identified Existing Bondholders but who would otherwise be entitled to the Unclaimed Shares in accordance with Article 8.7.

## 1.2 Construction

1.2.1 Words importing the singular number include the plural number and vice versa.

- 1.2.2 Words importing the masculine gender include the feminine gender.
- 1.2.3 Words importing persons include corporations and any other legal or natural persons.
- 1.2.4 Any reference to writing includes all modes of representing or reproducing words in a visible and legible form, including in the form of an Electronic Record.
- 1.2.5 The word **may** shall be construed as permissive and the word **shall** shall be construed as imperative.
- 1.2.6 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be merely illustrative and shall not limit the sense of the words preceding those terms.
- 1.2.7 Where any provision of the Law is referred to, the reference is to that provision as modified by any subsequent law for the time being in force.
- 1.2.8 Unless the context otherwise requires, words and expressions defined in the Law bear the same meanings in these Articles.
- 1.2.9 References to **days** are to calendar days, unless otherwise specified.
- 1.2.10 References to **\$** are to US dollars, unless otherwise specified.
- 1.2.11 The phrase **acting in concert** shall be construed in accordance with the UK City Code on Takeover and Mergers.
- 1.2.12 Headings are used for convenience only and shall not affect the construction of these Articles.

## **2. REGISTERED AND OTHER OFFICES**

The Registered Office of the Company shall be at such place in the Cayman Islands as the Directors shall from time to time determine. The Company, in addition to its Registered Office, may establish and maintain such other offices in the Cayman Islands or elsewhere as the Directors may from time to time determine.

## **3. SERVICE PROVIDERS**

The Directors may appoint any person to act as a service provider to the Company and may delegate to any such service provider any of the functions, duties, powers and discretions available to them as Directors, upon such terms and conditions (including as to the remuneration payable by the Company) and with such powers of sub-delegation, but subject to such restrictions, as they think fit.

## **4. ISSUE OF SHARES**

### **4.1 Power to issue Shares**

The Directors may (subject to the provisions of these Articles and the Law), without prejudice to any rights attached to any existing Shares, offer, allot, grant options over or otherwise dispose of the Shares with or without preferred, deferred, qualified or

other special rights or restrictions, whether in regard to dividends or other forms of distribution, voting, return of capital or otherwise, and to such persons and on such terms and conditions and for such consideration, and at such times as they think fit, provided no Share shall be issued at a discount (except in accordance with the provisions of the Law). Any Share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company or the holder is liable, to be redeemed.

#### 4.2 **No Shares to bearer**

The Company shall not issue Shares to bearer.

#### 4.3 **Fractional Shares**

The Company may, in accordance with the Law, issue fractions of Shares.

#### 4.4 **New Issues**

##### 4.4.1 Without prejudice to Article 26.4.1, on any issue of Shares other than an Excluded Issue (a “**New Issue**”):

- (a) other than a Member which is the subject of a Restriction Notice pursuant to Article 8.2.3(b), each Member is entitled, but not obliged, to subscribe for all or part of its Pro-Rata Portion of Shares (rounded to the nearest whole Share as the Board may determine in its sole discretion) comprising the New Issue (the “**New Shares**”) on the same terms; and
- (b) prior to the completion of such New Issue, the Company shall notify each relevant Member in writing of its entitlement to New Shares pursuant to Article 4.4.1(a), specifying the number and class of Shares to which it is entitled, the price per Share, and the time (being not less than 10 Business Days) within which the offer, if not accepted by notice in writing, will be deemed to be declined.

##### 4.4.2 To the extent that any Member declines, or is deemed to decline, an offer for all or part of its Pro-Rata Portion of New Shares (the aggregate amount of New Shares not subscribed for pursuant to Article 4.4.1(a), the “**Declined Shares**”):

- (a) each Member that has subscribed for all of its Pro-Rata Portion of Shares (each an “**Accepting Member**”) is entitled, but not obliged, to subscribe for all or part of the Declined Shares on the same terms as the New Issue (a subscriber to such Declined Shares being a “**Declined Share Subscriber**”); and
- (b) prior to the completion of the New Issue, the Company shall notify each Accepting Member in writing of the fact that the Accepting Member is entitled to subscribe for some or all of the Declined Shares at the price per Share referred to in Article 4.4.1(b), and the time (being not less than five Business Days) within which the offer, if not accepted by notice in writing, will be deemed to be declined.

- 4.4.3 To the extent that the Declined Share Subscribers over subscribe for the Declined Shares, each Declined Share Subscriber shall receive its Shortfall Portion of the Declined Shares (up to any cap on subscription for Declined Shares which a Declined Share Subscriber may have communicated to the Company) with any excess Declined Shares arising as a result of such cap allocated to the other Declined Share Subscribers in the same way based on their Shortfall Portion and any stipulated cap.
- 4.4.4 To the extent that any Declined Shares are not taken up by any Declined Share Subscriber, the Board shall deal with such Declined Shares as determined by the Board.
- 4.4.5 The provisions of Articles 4.4.1 to 4.4.4 do not represent a commitment by any Member to provide funding to the Group.

**4.5 Liability of Members**

*The liability of the Members is limited to the amount, if any, unpaid on Shares held by them.*

**5. REGISTER OF MEMBERS**

The Directors shall establish and maintain (or cause to be established and maintained) the Register of Members at the Registered Office or at such other place determined by the Directors in the manner prescribed by the Law.

**6. RECORD DATE**

**6.1 Power of Directors to fix record date**

The Directors may fix in advance a date as the record date to determine the Members entitled to notice of or to vote at a meeting of the Members and, for the purpose of determining the Members entitled to receive payment of any dividend, the Directors may, at or within 90 days prior to the date of the declaration of such dividend, fix a subsequent date as the record date for such determination.

**6.2 No fixed record date**

If no such record date is fixed, the record date shall be the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be. A determination of Members entitled to vote at any meeting of Members in accordance with this Article, shall apply to any adjournment thereof.

**7. SHARE CERTIFICATES**

**7.1 Issue of Share Certificates**

- 7.1.1 Unless otherwise requested in writing by a Member, Shares will be issued in uncertificated form. Upon the written request by a Member to issue a share certificate in respect of all, but not part, of the Shares held by such Member, the Member will be provided with a share certificate within five Business Days.

7.1.2 Share certificates shall be in such form as the Directors may determine and shall be signed by one or more Directors or other person authorised by the Directors. All share certificates shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, in respect of certificated Shares, no new certificate in respect of any Shares shall be issued until any former certificate representing such Shares shall have been surrendered or cancelled or an indemnity in respect of any lost share certificate has been provided.

## 7.2 **Certificates for jointly-held Shares**

The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person, and delivery of a certificate to one joint holder shall be sufficient delivery to all.

## 7.3 **Replacement Share Certificates**

If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee (if any) and on such terms (if any) as to evidence and indemnity, and on the payment of expenses of the Company in investigating such evidence and preparing such indemnity as the Directors shall think fit and, in case of defacement, on delivery of the old certificate to the Company for cancellation.

## 8. **TRANSFER OF SHARES**

### 8.1 **Permitted transfers**

8.1.1 Shares are freely transferable, subject to the terms of Articles 8.2, 8.4, 8.5 and 8.6.

8.1.2 Any person who holds, or becomes entitled to hold, any Shares shall not transfer any of its Shares or interests in Shares unless such transfer is carried out in accordance with the provisions of the Articles.

8.1.3 The Company:

(a) shall be obliged to register any transfer of legal title to the Shares required or permitted pursuant to, and in each case carried out in accordance with, the provisions of the Articles; and

(b) shall not register a transfer of legal title to the Shares unless such transfer of Shares is required or permitted pursuant to, and in each case carried out in accordance with, the provisions of the Articles.

### 8.2 **Restricted transfers**

8.2.1 Without prejudice to the initial issuance of Shares to each Existing Bondholder on or after the Restructuring Date and each Existing Bondholder's right to take up that offer, Members shall not be permitted to sell or otherwise transfer Shares or any interest in Shares to:

(a) West African Ventures Ltd ("WAV");

- (b) any Affiliate of WAV;
- (c) JJR;
- (d) any Connected Person of JJR; or
- (e) any undertaking which is controlled directly or indirectly by JJR,

(each of the entities referred to in Articles 8.2.1(a) to 8.2.1(e), a “**WAV Entity**”).

8.2.2 The Board shall have the right to, at any time, deliver a notice (a “**Disclosure Notice**”) to any Member requiring that Member to, within 14 Business Days of its receipt of such Disclosure Notice, provide a written certification to the Company substantially in the form appended to these Articles at Appendix 2, certifying that it is either (i) a Compliant WAV Entity; or (ii) not a WAV Entity or holding Shares on behalf of or acting in concert with any WAV Entity in respect of Shares held by that Member (other than as a result of an initial Share issuance by the Company) on or after the Restructuring Date (a “**WAV Certification**”). The provision of a WAV Certification to the Board by a Member in accordance with this Article 8.2.2 shall discharge the Member in full of its obligation to comply with the terms of the relevant Disclosure Notice, and the Board shall have no right to request further information from that Member in respect of the subject matter of the WAV Certification it provided, absent fraud or manifest error.

8.2.3 If:

- (a) a Member fails to provide a WAV Certification to the Board in accordance with Article 8.2.2; and/or
- (b) the Board determines that a transfer of Shares or interests in Shares has occurred, or Shares or interests in Shares are held by a Member, in breach of Article 8.2.1 (the Member referred to in Articles 8.2.3(a) and (b) in each case being a “**Non-Compliant Member**”),

the Board may, at its option, restrict the rights attaching to the Shares acquired or held after the Restructuring Date (but not, for the avoidance of doubt, Shares acquired or held by a Compliant WAV Entity in exchange for Bonds pursuant to the terms of the Implementation Deed and/or the Trust Deed) by that Non-Compliant Member (the “**Identified Shares**”), in which case it will deliver a notice to the Non-Compliant Member (a “**Restriction Notice**”) stating that the Identified Shares no longer give the holder any right to:

- (i) exercise any voting rights attached to the Identified Shares;
- (ii) any dividend or other distribution which would otherwise be payable in respect of the Identified Shares without any liability to pay interest in the event such dividend or other distribution is finally paid to the Non-Compliant Member; and
- (iii) exercise any right under Article 4.4.

8.2.4 Any dividends or distributions payable in respect of the Identified Shares that are withheld by the Board from a Non-Compliant Member pursuant to Article 8.2.3(b)(ii) shall be held in a non-interest bearing bank account nominated by the Board for such purpose until such time as the Board cancels the relevant Restriction Notice pursuant to Article 8.2.5 below.

8.2.5 The Board will cancel the relevant Restriction Notice and reinstate the voting, distribution and other rights attaching to the Identified Shares in full upon receipt of a WAV Certification from the Non-Compliant Member or remedy, to the Board's reasonable satisfaction, of the breach of Article 8.2.1 referred to in Article 8.2.3(b). Once a Restriction Notice is cancelled in relation to any Identified Shares, any amounts relating to those Identified Shares which were withheld by the Board will be paid to the Non-Compliant Member (other than to a WAV Entity) who would otherwise have been entitled to them or as it may otherwise direct. Any amounts withheld from a WAV Entity pursuant to Article 8.2.3(b)(ii) shall be dealt with as the Board may determine in its sole discretion following the cancellation of the relevant Restriction Notice by the Board.

### **8.3 Instrument of transfer**

8.3.1 The instrument of transfer of any Share shall be executed by or on behalf of the transferor and (if the Directors so determine) the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register of Members in respect of such Share. All instruments of transfer, once registered, may be retained by the Company.

8.3.2 Subject to any applicable restrictions contained in these Articles, Shares shall be transferred in any usual or common form approved by the Directors, which shall, for the avoidance of doubt, be required to be executed by the Company and shall include confirmation from the transferee that it agrees to the terms of these Articles and appoints any Director as its agent and attorney for the purposes of Article 8.5.6.

8.3.3 Notwithstanding the foregoing provisions of Article 8.3, Shares may trade over-the-counter where approved by Members by Ordinary Majority Consent. Following the receipt of such an Ordinary Majority Consent, the Board will promptly take such steps as are within its power to apply for and maintain over-the-counter settlement of the Shares held by those Members who have notified the Board in writing that they wish to utilize it, subject to applicable law, regulation and any future contrary direction received by the Board from an Ordinary Majority.

### **8.4 Refusal to register transfers**

8.4.1 The Directors may decline to register any transfer of any Share not transferred in accordance with the provisions of these Articles. The Directors may require reasonable evidence to show the right of the transferor to make the transfer.

8.4.2 If the Directors decline to register a transfer of Shares they shall send notice of the refusal to the transferee and the reason for such refusal within one month after the date on which the transfer was lodged with the Company.

8.4.3 The Directors shall not be permitted at any time to suspend the registration of Shares but shall approve or decline to register all transfers in accordance with the provisions of these Articles.

## 8.5 Drag-Along Rights

8.5.1 If any one or more Members holding, in aggregate:

- (a) a majority of the Shares then in issue, wish to enter into a transaction on arm's length terms to sell all of their respective Shares for all cash consideration; or
- (b) not less than two thirds of the Shares then in issue, wish to enter into a transaction on arm's length terms to sell all of their respective Shares for all non-cash consideration or for a combination of cash and non-cash consideration,

(in each case the "**Dragging Members**"),

which would, on its completion, constitute a Sale, then the Dragging Members shall have the right to require all other Members (including, for the avoidance of doubt, the Trustee in respect of any Unclaimed Shares) (the "**Remaining Members**") to transfer all of their respective Shares to the proposed transferee (the "**Drag Transferee**") at the same time on terms no less favourable (including as to participating in any escrow or deferred consideration arrangements) than for the corresponding Shares being sold by the Dragging Members to the Drag Transferee (a "**Required Exit**").

8.5.2 The Dragging Members may effect a Required Exit by giving written notice to the Remaining Members (the "**Drag-Along Notice**") not less than 45 Business Days prior to the anticipated closing date of such Required Exit.

8.5.3 The Drag-Along Notice shall specify:

- (a) that the Remaining Members are required to transfer all their Shares in the event of a Required Exit (the "**Dragged Shares**");
- (b) the person to whom the Dragged Shares are to be transferred;
- (c) the proposed form(s) and amount of consideration per Share for the Dragged Shares;
- (d) the terms and conditions of purchase offered for the Dragged Shares; and
- (e) the proposed date of the transfer of the Dragged Shares.

8.5.4 The Drag-Along Notice shall be accompanied by copies of all documents required to be executed by the Remaining Members to give effect to the Required Exit (the "**Required Exit Documents**") and such Required Exit shall be on no less favourable terms and conditions as shall have been agreed between the Dragging Members and the Drag Transferee.

8.5.5 Each Remaining Member, upon receipt of the Drag-Along Notice and accompanying documents, shall be obliged to:

- (a) sell all of their Dragged Shares, and participate in the Required Exit; and
- (b) return to the Dragging Members within five Business Days of receipt of the Drag-Along Notice: (i) the duly executed Required Exit Documents; (ii) details of its nominated bank account to receive any cash consideration; (iii) details of any securities account to receive any consideration securities (where applicable); and (iv) if a certificate has been issued in respect of the relevant Shares, the relevant certificate(s) (or an indemnity in respect of any missing certificates in a form satisfactory to the Board), all of which shall be held until irrevocable instructions for a telegraphic transfer to the nominated bank account and/or a transfer to a securities account (where applicable) for the aggregate consideration due to it have been made.

8.5.6 To the extent that any Remaining Member fails to comply with any of its obligations under Article 8.5.5, such Remaining Member irrevocably appoints any Director as its agent and attorney to execute and deliver to the Company and/or the Company's registrars any documents, including the Required Exit Documents, and to do all other things and take any other action, in each case as may be necessary or desirable to give effect to the Required Exit and the sale of all of its Dragged Shares under the Required Exit.

8.5.7 If a Remaining Member fails to provide details of its nominated bank account and/or securities account (where applicable) in accordance with Article 8.5.5(b), the Dragging Members shall:

- (a) nominate a bank account into which such Remaining Member's aggregate cash consideration shall be received for such Remaining Member and such bank account shall be deemed to be the 'nominated bank account' for such Remaining Member for the purposes of Articles 8.5.5(b) and 8.5.8;
- (b) where applicable, nominate a securities account into which such Remaining Member's consideration securities (if any) shall be received for such Remaining Member and such securities account shall be deemed to be the 'nominated securities account' for such Remaining Member for the purposes of Articles 8.5.5(b) and 8.5.8;
- (c) be entitled to direct that any deductions may be made from any amounts held in such bank account, on behalf of the Remaining Member in respect of any charges and expenses incurred in relation to the operation and maintenance of such bank account; and
- (d) shall procure that the relevant consideration owed to the Remaining Member be transferred to a bank account or securities account (where applicable) nominated by such Remaining Member as soon as reasonably practicable following receipt of its details from the Remaining Member.

8.5.8 Any deferred cash payments due to a Remaining Member pursuant to a Required Exit shall be paid to the relevant Remaining Member's nominated bank account. Any deferred consideration securities due to a Remaining Member pursuant to a Required Exit shall be transferred to the relevant Remaining Member's nominated securities account.

8.5.9 Following the issue of a Drag-Along Notice, if any person is issued or otherwise acquires any new or additional Shares (a “**New Holder**”), a Drag-Along Notice shall be deemed to have been served upon such New Holder on the same terms as the previous Drag-Along Notice. The New Holder will be bound to sell and transfer all such new Shares acquired by it to the Drag Transferee or as it may direct and the provisions of this Article 8.5 shall apply to the New Holder (with necessary modification) in respect of its holding of such new Shares.

8.5.10 If the Required Exit has not been completed by the earlier of:

- (a) the 120th day following the date of the Drag-Along Notice (or, where any anti-trust or regulatory conditions are required to be satisfied before the Required Exit can be completed, the long-stop date for the satisfaction of such conditions in the Required Exit documentation (as agreed between the Dragging Members and the Drag Transferee)); or
- (b) the Dragging Members sending a written notice to the Remaining Members that the Required Exit will not be completed,

the Drag-Along Notice shall cease to be of effect and each Remaining Member shall be irrevocably released from such obligations under the Drag-Along Notice and the rights of all parties pursuant to the Articles shall be reinstated.

8.5.11 If the consideration offered by the Drag Transferee for the Dragged Shares as set out in the Drag-Along Notice includes non-cash consideration, any Remaining Member may elect to receive from the Drag Transferee the cash equivalent of such non-cash consideration. In the event any Remaining Member elects to receive the cash equivalent of non-cash consideration pursuant to this Article 8.5.11, the Board, having taken such advice as it deems necessary, shall determine the value of such cash equivalent by reference to the fair market value (as determined by the Board in its sole discretion) of the relevant non-cash consideration.

8.5.12 If a Member or Members holding 25% or more of the Shares enters into discussions with any person (a “**Potential Buyer**”) with regards to a potential sale of their Shares, they and, to the extent the Potential Buyer is also a Member, the Potential Buyer, must each promptly provide details of such discussions to the Board, including the number of Shares that may be sold. For the avoidance of doubt, pricing information and discussions and, unless the Potential Buyer is already a Member, the identity of the Potential Buyer, do not need to be disclosed for these purposes. The Board shall promptly disclose such information to each Member that has previously indicated to the Board that it wishes to have such information disclosed to it, and who has executed a non-disclosure agreement with respect to such information in substantially the form set out in Appendix 3A, or in such other form reasonably acceptable to the Board (in each case, a “**Share Sale NDA**”).

## 8.6 **Tag-Along Rights**

8.6.1 Except in the case of transfers pursuant to Article 8.5, the provisions of this Article 8.6 shall apply if any one or more Members (the “**Selling Members**”) proposes to enter into a transaction to sell any of their respective Shares which would, on its completion, constitute a Sale (a “**Tag-Along Sale**”), in which case the Selling

Members shall notify every other Member (excluding, for the avoidance of doubt the Unknown Members but including the Trustee in respect of any Unclaimed Shares) of the Tag-Along Sale at least 20 Business Days prior to completion of such Tag-Along Sale. Such notice shall be in writing and shall specify (i) the identity of the relevant Third Party that is purchasing Shares pursuant to the Tag-Along Sale (the “**New Owner**”); and (ii) the terms of the proposed Tag-Along Sale, including the consideration to be paid per Share as part of the Tag-Along Sale (the “**Proposed Sale Notice**”). Any Member has the right (a “**Tag-Along Right**”) to send a notice in writing (a “**Tag-Along Notice**”) to the Selling Members at least 10 Business Days prior to the transfer of the Selling Members’ Shares to the New Owner, copied to the Company, electing to sell to the New Owner up to an equivalent portion of its Shares (the “**Tag-Along Shares**”) for the same consideration per Share, subject to Article 8.6.7, as and on no less favourable terms than those for the corresponding Shares being sold by the Selling Members to the New Owner (in such event, a “**Tagging Member**”). For the purposes of this Article, a Tagging Member's equivalent portion shall be calculated by reference to the number of Shares the Selling Members are proposing to sell pursuant to the Tag-Along Sale divided by the total number of Shares held by the Selling Members and then multiplied by the number of Shares held by such Tagging Member.

- 8.6.2 Subject to Article 8.6.3 and Article 8.6.7, the Selling Members shall be prohibited from selling Shares to the New Owner in the Tag-Along Sale unless the New Owner agrees to purchase the Tag-Along Shares at the same time, for the same consideration as, and on no less favourable terms than, those for the corresponding Shares being sold by the Selling Members, provided each Tagging Member (other than the Trustee) will be required to give, on a several basis, the representations, warranties and indemnities in the same form as those provided by the Selling Members, to the New Owner and otherwise comply with the provisions of Articles 8.6.5 and 8.6.6.
- 8.6.3 If the New Owner elects to purchase fewer than all of the Shares offered for sale by the Selling Members and any Tagging Members as a result of the Tagging Member’s exercise of their respective Tag-Along Rights, the Selling Members and each Tagging Member shall have the right to transfer their pro-rata portion of Shares offered to the New Owner in the original Tag-Along Sale to the New Owner on the same terms and conditions as initially agreed with the Selling Members in the Tag-Along Sale including, without limitation, in exchange for a pro-rata share of all consideration received by the Selling Members subject to the rights of Tagging Members under Article 8.6.7.
- 8.6.4 The Selling Members shall deliver to each Tagging Member, not less than four Business Days prior to completion of the proposed Tag-Along Sale, a definitive agreement (along with any ancillary transfer instruments) to effect the sale of its Tag-Along Shares to the New Owner.
- 8.6.5 Not less than five Business Days prior to the proposed Tag-Along Sale, each Tagging Member shall deliver to the Selling Members (a) a duly executed sale document in respect of its Tag-Along Shares; (b) details of its nominated bank account (or securities account where relevant); and (c) if a certificate has been issued in respect of its Tag-Along Shares, the relevant certificate(s) (or an indemnity in respect of any missing certificates in a form satisfactory to the Board). If a Tagging Member fails to comply with this Article 8.6.5 in full not less than two Business Days prior to the

proposed Tag-Along Sale, it shall be deemed to have waived its rights under Article 8.6.1.

- 8.6.6 Each Tagging Member shall bear its share of the costs of the Tag-Along Sale, pro-rata to and deductible by the Selling Members or the New Owner (as applicable) from the proceeds received by it in the Tag-Along Sale as compared to the aggregate proceeds of all Selling Members and Tagging Members. Each Tagging Member shall be entitled to receive its consideration pursuant to the Tag-Along Sale (less its share of the costs of the Tag-Along Sale) at the same time as the Selling Members.
- 8.6.7 If the consideration offered by the New Owner for the Tag-Along Shares as set out in the Proposed Sale Notice includes non-cash consideration, any Tagging Member may elect to receive from the New Owner the cash equivalent of such non-cash consideration. In the event any Tagging Member elects to receive the cash equivalent of non-cash consideration pursuant to this Article 8.6.7, the Board, having taken such advice as it deems necessary, shall determine the value of such cash equivalent by reference to the fair market value (as determined by the Board in its sole discretion) of the relevant non-cash consideration.

## 8.7 Unclaimed Shares

- 8.7.1 Following the issuance of Shares pursuant to the terms of the Implementation Deed, any Unclaimed Shares will be held by the Trustee for the benefit of the Unknown Members pursuant to the terms of the Trust Deed.
- 8.7.2 If, at any time within one year immediately following the Restructuring Date, an Existing Bondholder satisfies all conditions for being listed in the Register of Members (including without limitation the completion and delivery of a Share Issuance Form), the Existing Bondholder shall be entitled to a proportion of the Unclaimed Shares equal to the number of Unclaimed Bonds that the Existing Bondholder proved it held as at the Restructuring Date pursuant to this Article 8.7.2, divided by the aggregate number of Unclaimed Bonds as at the Restructuring Date (the “**Proven Shares**”).
- 8.7.3 Promptly following receipt of the information referred to in Article 8.7.2:
- (a) the Company will instruct the Trustee, and the Trustee shall execute and deliver to the Company, a stock transfer form in respect of the transfer of Proven Shares to the Existing Bondholder; and
  - (b) the Company will:
    - (i) update, or procure the updating of, the Register of Members to record the Existing Bondholder as the registered owner of the Proven Shares; and
    - (ii) execute a share certificate in respect of the Proven Shares which have been issued to the Existing Bondholder and deliver such share certificate to the Existing Bondholder.
- 8.7.4 Any Unclaimed Shares in respect of which the relevant Existing Bondholder has not satisfied all conditions for being listed in the Register of Members (including the

completion and delivery of a Share Issuance Form) by the date falling one year after the Restructuring Date shall be permanently cancelled, unless the Board authorises a later date for such cancellation in which case the cancellation of all such Unclaimed Shares shall occur on such later date.

## **9. TRANSMISSION OF SHARES**

### **9.1 Transmission of Shares**

If a Member dies, the survivor or survivors (where he was a joint holder), and the legal personal representative (where he was sole holder), shall be the only person recognised by the Company as having any title to the Share. The estate of a deceased Member is not thereby released from any liability in respect of any Share held by him, whether solely or jointly. For the purpose of this Article, legal personal representative means the person to whom probate or letters of administration has or have been granted in the Cayman Islands or, if there is no such person, such other person as the Directors may in their absolute discretion determine to be the person recognised by the Company for the purpose of this Article.

### **9.2 Election by persons entitled on transmission**

Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member or otherwise by operation of applicable law may elect, upon such evidence being produced as may be required by the Directors as to his entitlement, either be registered himself as a Member in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Member could have made.

### **9.3 Manner of election**

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the Shares, he shall signify his election by signing an instrument of transfer of such Shares in favour of his transferee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Member.

### **9.4 Rights of persons entitled on transmission**

A person becoming entitled to a Share in consequence of the death or bankruptcy of the Member (or otherwise by operation of applicable law), upon such evidence being produced as may be required by the Directors as to his entitlement, shall be entitled to the same dividends and other monies payable in respect of the Share as he would be entitled if he were the holder of such Share. However, he shall not be entitled, until he becomes registered as the holder of such Share, to receive notices of or to attend or vote at general meetings of the Company or (except as aforesaid) to exercise any other rights or privileges of a Member. The Directors may at any time give notice requiring such person to elect either to be registered himself or to transfer the Share and, if the

notice is not complied with within 60 days, the Directors may thereafter withhold payment of all dividends and other monies payable in respect of the Shares until the requirements of the notice have been complied with.

## **10. REDEMPTION AND PURCHASE OF SHARES**

10.1 Subject to the provisions of the Law and with Special Majority Consent, the Company may:

10.1.1 purchase its own Shares (including any redeemable Shares) in such manner and on such terms as the Directors may agree with the relevant Member unless following such purchase there would no longer be any issued Shares, and may make payment for such purchase or for any redemption of Shares in any manner authorised by the Law, including out of capital; and

10.1.2 reduce its share capital and any capital redemption reserve fund in any manner whatsoever.

## **11. VARIATION OF SHARE RIGHTS**

### **11.1 Variation of class rights**

If at any time the share capital is divided into different classes of Shares, all or any of the special rights attached to any class of Shares (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or abrogated with the consent in writing of the holders of not less than two thirds of the issued Shares of that class or with the sanction of a resolution passed by the holders of not less than two thirds of the issued Shares of that class as may be present in person or by proxy at a separate general meeting of the holders of the Shares of that class. To any such separate general meeting, all of the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one third of the issued Shares of the class and that any holder of Shares of the relevant class present in person or by proxy may demand a poll.

### **11.2 Treatment of classes**

For the purpose of a separate class meeting, the Directors may treat two or more of all classes of Shares as forming one class if they consider that such class of Shares would be affected in the same way by the proposals under consideration.

### **11.3 Effect of Share issue on class rights**

The rights conferred upon the holders of any Shares shall not, unless otherwise expressly provided in the rights attaching to such Shares, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith.

## **12. NON-RECOGNITION OF TRUSTS**

Except as required by the Law or these Articles, or under an order of a court of competent jurisdiction, the Company shall not be bound by or compelled to recognise in any way, even when notice thereof is given to it, any equitable, contingent, future

or partial interest in any Share, or any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

## **13. LIEN**

### **13.1 Lien generally**

The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) called or payable at a date fixed by or in accordance with the terms of issue of such Share in respect of that Share, and the Company shall also have a first and paramount lien on every Share (other than a fully paid up Share) standing registered in the name of a Member, whether singly or jointly with any other person for all debts and liabilities of a Member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Directors may at any time, either generally or in any particular case, waive any lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a Share shall extend to all dividends payable thereon.

### **13.2 Enforcement**

The Company may sell, in such manner as the Directors think fit, any Share on which the Company has a lien, provided a sum in respect of which the lien exists is presently payable, and is not paid within fourteen days after a notice in writing has been given to the registered holder for the time being of the Share, demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment.

### **13.3 Completion of sale**

For giving effect to any such sale referred to in Article 13.2, the Directors may authorise any person to transfer the Share sold to the purchaser thereof. The purchaser shall be registered as the holder of the Share comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **13.4 Application of proceeds**

The net proceeds of such sale shall be applied in payment or discharge of the debt or liability in respect of which the lien exists and as is presently payable, and any balance shall (subject to a like lien for debts or liabilities not presently payable as existed upon the Shares prior to the sale) be paid to the person who was the registered holder of the Share immediately before such sale.

## **14. CALLS ON SHARES**

### **14.1 Calls on Shares generally**

The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of the par value of the Shares or premium or otherwise and not, by the terms of issue thereof, made payable at a future date fixed by or in accordance with such terms of issue); and each Member shall (subject to the Company serving upon him at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his Shares. A call may be revoked or postponed by the Directors wholly or in part as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

## **14.2 Payment**

14.2.1 Payment of a call may be made by instalments on the direction of the Directors.

14.2.2 If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day payment is due to the time of the actual payment at such rate as the Directors may determine, but the Directors may waive payment of such interest wholly or in part.

14.2.3 Any sum payable in respect of a Share on issue or allotment or at any fixed date, whether in respect of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the relevant provisions as to payment of interest, forfeiture or otherwise of these Articles shall apply as if such sum had become due and payable by virtue of a call duly made and notified.

14.2.4 The Directors may issue Shares with different terms as to the amount and times of payment of calls.

## **14.3 Liability of joint holders**

The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

## **14.4 Interest**

The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him; and may (until the amount would otherwise become payable) pay interest at such rate (not exceeding six per cent without the sanction of the Company in general meeting) as may be agreed upon between the Member paying the sum in advance and the Directors.

## **15. FORFEITURE OF SHARES**

### **15.1 Notice**

15.1.1 If a Member fails to pay any call or instalment of a call by the date it becomes due and payable, the Directors may, at any time thereafter while such call or instalment remains unpaid, give notice to the Member requiring payment of the unpaid portion of

the call or instalment, together with any accrued interest and expenses incurred by the Company by reason of such non-payment.

- 15.1.2 The notice shall specify where and by what date (not being less than the expiration of 14 days' from the date of the notice) payment is to be made and shall state that if it is not complied with the Shares in respect of which the call was made will be liable to be forfeited. The Directors may accept the surrender of any Share liable to be forfeited hereunder and, in such case, references to these Articles to forfeiture shall include surrender.

#### **15.2 Forfeiture for non-compliance**

If such notice is not complied with, any Share in respect of which the notice was given may thereafter, before the payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all dividends declared, other distributions or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.

#### **15.3 Forfeited Shares**

A forfeited Share may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition, the forfeiture may be cancelled on such terms as the Directors think fit.

#### **15.4 Continued liability for forfeited Member**

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him in respect of the Shares together with interest at such rate as the Directors may determine from the date of forfeiture until payment, but his liability shall cease if and when the Company receives payment in full of all amounts due in respect of the Shares. The Company may enforce payment without being under any obligation to make any allowance for the value of the Shares forfeited.

#### **15.5 Evidence of forfeiture**

- 15.5.1 An affidavit in writing by a Director or Secretary of the Company that a Share has been duly forfeited on a specified date, shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or disposition thereof and may authorise some person to execute a transfer of the Share in favour of the person to whom the Share is sold, re-allotted or otherwise disposed of, and he shall thereupon be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposition of the Share.

- 15.5.2 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time,

whether on account of the par value of the Share, or by way of premium or otherwise, as if the same had been made payable by virtue of a call duly made and notified to the Member.

## **16. INCREASE OF CAPITAL**

16.1 The Company may from time to time by Ordinary Resolution or other greater majority as required by these Articles increase its share capital by such sum, to be divided into new Shares of such par value, and with such rights, priorities and privileges attached thereto as the resolution shall prescribe.

16.2 Subject to any directions given by the Company in a general meeting, all new Shares shall be at the disposal of the Directors in accordance with these Articles.

16.3 The new Shares shall be subject to the same provisions of these Articles with reference to the payment of calls, lien, forfeiture, transfer, transmission and otherwise, as the Shares in the original share capital.

## **17. ALTERATION OF CAPITAL**

17.1 The Company may from time to time by Ordinary Resolution or other greater majority as required by these Articles:

17.1.1 consolidate and divide all or any of its share capital into Shares of larger par value than its existing Shares;

17.1.2 sub divide its existing Shares, or any of them, into Shares of smaller par value than is fixed by the Memorandum, subject nevertheless to the provisions of section 13 of the Law;

17.1.3 cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and

17.1.4 convert all or any paid up Shares into stock, and reconvert all or any stock into paid up Shares of any denomination.

17.2 The Company may from time to time by Special Resolution:

17.2.1 divide its Shares into several classes and attach to such classes any preferential, deferred, or special rights or restrictions in accordance with these Articles;

17.2.2 change the currency denomination of its share capital;

17.2.3 reduce its share capital and any capital redemption reserve fund in any manner whatsoever; and

17.2.4 merge or consolidate with any one or more constituent companies (as defined in the Law).

## **18. GENERAL MEETINGS**

### **18.1 Convening a meeting**

The Directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director, or any one or more Members holding in the aggregate not less than one fifth of such paid up capital of the Company as at the date of the requisition carries the right of voting at general meetings, may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

## **18.2 Members' requisition**

18.2.1 The Directors shall, upon the requisition in writing of one or more Members holding in the aggregate not less than one fifth of such paid up capital of the Company as at the date of the requisition carries the right of voting at general meetings, convene an extraordinary general meeting. Any such requisition shall express the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form, each signed by one or more requisitionists.

18.2.2 If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not convene a general meeting within 21 days from the date of the deposit, the requisitionists or any or any of them or any other Member or Members holding in the aggregate not less than one fifth of such paid up capital of the Company referred to in Articles 18.1 and 18.2 as at the date of the requisition, may convene an extraordinary general meeting. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Directors.

## **19. NOTICE OF GENERAL MEETINGS**

### **19.1 Length and form of notice**

At least five Business Days' notice shall be given of any general meeting. Every notice shall specify the place, the day and the time of meeting and, in the case of special business, the general nature of the business to be conducted at the general meeting, and shall be given in the manner provided in these Articles or in such other manner (if any) as may be prescribed by the Company, to such persons as are entitled to receive such notices from the Company. A general meeting may be convened by such shorter notice, or without notice, by Members having the right to attend and vote at the meeting, together holding not less than 90% in nominal value of the Shares giving that right.

### **19.2 Omission or non-receipt**

The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any Member entitled to receive notice shall not invalidate the proceedings at any meeting.

## **20. PROCEEDINGS AT GENERAL MEETINGS**

20.1 All business shall be deemed special that is transacted at an extraordinary general meeting.

## 20.2 **Quorum**

No business shall be transacted at any general meeting unless a quorum of Members is present at the time that the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the Meeting. Save as herein otherwise provided, one or more Members holding in the aggregate not less than one third of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum.

## 20.3 **Adjournment for lack of quorum**

If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.

## 20.4 **General meetings by telephone or other facilities**

20.4.1 A meeting of the Members may be held by telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone or video conferencing) by which all persons participating in the meeting can communicate with each other simultaneously and instantaneously, and participation in such a general meeting shall constitute presence in person at such meeting.

20.4.2 Any Director shall be entitled to attend and speak at any general meeting of the Company.

## 20.5 **Appointment of chairman**

The chairman (if any) of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman, or if at any meeting he is not present within five minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall choose one of their number or any director of another Group Company to act or, if only one Director is present, he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors or directors of other Group Companies present, in each case declines to take the chair, the Members present and entitled to vote shall elect one of their number to be chairman.

## 20.6 **Adjournment of meeting**

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than

the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **21. VOTING**

### **21.1 Ordinary Resolution**

Save where a Special Resolution or other greater majority is required by the Law or these Articles, any question proposed for consideration at any general meeting shall be decided by an Ordinary Resolution.

### **21.2 Voting on a show of hands**

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands, a demand for a poll on that resolution is made.

### **21.3 Demand for poll**

#### **21.3.1 A poll is demanded by:**

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and holding collectively not less than one tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) a Member or Members present in person or by proxy holding Shares conferring the right to vote at such meeting, being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all such Shares conferring such right.

#### **21.3.2 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution. The demand for a poll may be withdrawn by the person or any persons making it at any time prior to the declaration of the result of the poll.**

#### **21.3.3 If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.**

#### **21.3.4 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at**

which the poll is demanded, shall not be entitled to a second or casting vote and the resolution shall fail.

21.3.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time later in the meeting as the chairman of the meeting shall direct.

21.3.6 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

#### **21.4 Voting on a poll**

21.4.1 On a poll votes may be cast either personally or by proxy.

21.4.2 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

21.4.3 On a show of hands, every Member present in person or by proxy and entitled to vote shall have one vote. On a poll, every Member present in person or by proxy and entitled to vote shall have one vote for each Share of which he is the registered holder.

21.4.4 In the case of joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

21.4.5 A Member of unsound mind, or, in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person of similar nature appointed by such court, and any such receiver, committee, curator bonis or other person may vote by proxy and may otherwise act and be treated as such Member for the purpose of the general meetings.

21.4.6 No Member, unless the Directors otherwise determine, shall be entitled to vote at any general meeting, unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

21.4.7 No objection shall be raised as to the qualification of any voter or as to whether any votes have been properly counted except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time and in accordance with these Articles shall be referred to the chairman whose decision shall be final and conclusive.

#### **21.5 MIP Shares**

Holders of MIP Shares shall not be entitled to vote in respect of such MIP Shares at any general meeting of the Company.

## **22. PROXIES AND CORPORATE REPRESENTATIVES**

### **22.1 Members' attendance and voting**

22.1.1 Subject to these Articles, each Member entitled to attend and vote at a general meeting may attend and vote at the general meeting:

- (a) in person, or where a Member is a company or non-natural person, by a duly authorised corporate representative; or
- (b) by one or more proxies.

22.1.2 A proxy or corporate representative need not be a Member.

### **22.2 Appointment of proxies**

The instrument appointing a proxy shall be in writing under the hand of the Member or his duly authorised attorney or, if the Member is a corporation, under the hand of its duly authorised representative.

### **22.3 Form of proxy**

An instrument appointing a proxy may be in any usual or common form (or such other form as the Directors may approve) and may be expressed to be for a particular meeting or any adjournment thereof or may appoint a standing proxy until notice of revocation is received at the Registered Office or at such place or places as the Directors may otherwise specify for the purpose.

### **22.4 Corporate representatives**

Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

### **22.5 Receipt of instrument of appointment**

22.5.1 The instrument appointing a proxy or corporate representative, and the power of attorney (if any) under which it is signed, together with such other evidence as to its due execution as the Directors may from time to time require, shall be deposited at the Registered Office of the Company or at such other place as is specified for that purpose in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written resolution, in any document sent therewith, not less than 24 hours (or such longer or shorter time as the Directors may determine) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

22.5.2 In default of any of the provisions in these Articles to deposit any instrument of proxy or authorisation at the Registered Office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, the instrument of proxy or authorisation shall not be treated as valid provided that the chairman of the meeting may in his discretion accept an instrument of proxy or authorisation sent by email or fax upon receipt of email or fax confirmation that the signed original thereof has been sent.

## 22.6 **Standing Proxy**

The operation of a standing proxy or authorisation shall be suspended at any general meeting or adjournment thereof at which the Member is present in person or by specially appointed proxy. The Directors may require evidence as to the due execution and continuing validity of any standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until the Directors determine that they have received such satisfactory evidence.

## 22.7 **Poll vote**

22.7.1 In the case of a poll taken subsequently to the date of a meeting or adjourned meeting, the instrument appointing the proxy or corporate representative referred to in these Articles shall be deposited at the Registered Office of the Company or at such other place as is specified for that purpose in the notice convening the meeting before the time appointed for the taking of the poll.

22.7.2 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to speak at the meeting and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy or authorisation shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

## 22.8 **Validity of votes**

A vote given in accordance with the terms of an instrument of proxy or authorisation shall be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the proxy or of the corporate authority, unless notice in writing of such death, unsoundness of mind or revocation was received by the Company at the Registered Office (or such other place as may be specified for the delivery of instruments of proxy or authorisation in the notice convening the meeting or other documents sent therewith) before the commencement of the general meeting, or adjourned meeting, at which the instrument or proxy is used.

## 22.9 **Written resolutions**

In the case of a written resolution to be signed by a corporate representative, the instrument appointing the corporate representative shall be deposited at the Registered Office of the Company or at such other place as is specified for that purpose in the notice convening the meeting prior to the effective date of the written resolution.

## 22.10 **Waiver by Directors**

Subject to the Law, the Directors may at their discretion waive any of the provisions of these Articles relating to proxies or authorisations and, in particular, may accept such verbal or other assurances as they think fit as to the right of any person to attend, speak and vote on behalf of any Member at general meetings or to sign written resolutions.

## **23. APPOINTMENT AND REMOVAL OF DIRECTORS**

### **23.1 Number of Directors**

The number of Directors shall be not less than three nor, unless the Members by Ordinary Resolution may otherwise determine, more than five. Directors shall serve for such term as the Members by Ordinary Resolution may determine, or in the absence of such determination, until they are removed from office or are disqualified or resign under the terms of these Articles.

### **23.2 Method of Appointing and Removing Directors**

23.2.1 During the first twelve months immediately following the Restructuring Date (the “**Initial Period**”), Directors shall be appointed and removed by either (a) the Members holding 75% of votes cast at a general meeting of Members; or (b) by the Board with the prior written consent of the holders of 75% of all issued Shares. After the end of the Initial Period, Directors shall be appointed and removed by the Members by way of Ordinary Resolution.

23.2.2 Subject to these Articles, the Board shall have the power at any time, and from time to time, to appoint any person to be a Director, either to fill a vacancy or as an additional Director, provided that if such person is not or does not become approved by Members in accordance with Article 23.2.1, the term of office of such person shall terminate forthwith upon the appointment of a Director approved by Members pursuant to Article 23.2.1 if such appointment would, if not for such termination, increase the number of Directors to beyond the maximum number of Directors permitted by these Articles and, where more than one Director may otherwise have his term of office terminated pursuant to this Article, the term or terms of office of the most recently appointed Director or Directors shall terminate, other than where such Directors were appointed at the same time, in which case Directors’ terms of office shall be terminated as the Board may decide but in any event so as to allow the incoming Director or Directors to join the Board.

23.2.3 The Board shall have the power to remove any Director other than a Director appointed by Members pursuant to Article 23.2.1.

## **24. RESIGNATION AND DISQUALIFICATION OF DIRECTORS**

24.1 A person ceases to be a Director as soon as:

24.1.1 the Director resigns his office by notice in writing to the Company, and such resignation has taken effect in accordance with its terms;

24.1.2 a registered practitioner who is treating that person gives a written opinion to the Company stating that the person has become physically or mentally incapable of

acting as a Director and may remain so for more than three months and the other Directors resolve that his office is vacated;

24.1.3 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

24.1.4 the Director becomes bankrupt under the laws of any country or makes any arrangement or composition with his creditors generally;

24.1.5 the Director ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of, or otherwise by, any law or enactment;

24.1.6 where a Director is removed pursuant to the provisions of Article 23.2.1;

24.1.7 where such Director's term of office terminates pursuant to the provisions of Article 23.2.2; or

24.1.8 where such Director is removed pursuant to the provisions of Article 23.2.3.

## **25. POWERS AND DUTIES OF DIRECTORS**

### **25.1 General power to manage business**

25.1.1 The business of the Company shall be managed by the Directors, who shall be responsible for all administrative, strategic and operating matters concerning the Company and the Company's business of holding investments.

25.1.2 The Directors may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to these Articles, to the provisions of the Law and to such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

### **25.2 Borrowing powers**

Subject to these Articles, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any Third Party.

### **25.3 Cheques**

All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **25.4 Benefits**

Subject to these Articles, the Directors on behalf of the Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any person including any Director or former Director who has held any executive office or employment with the Company or any body corporate which is or has been an Affiliate of the Company or a predecessor in the business of the Company or of any such Affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person.

#### **25.5 Authority to bind Company**

No document or deed otherwise duly executed and delivered by or on behalf of the Company shall be regarded as invalid merely because at the date of delivery of the deed or document, the Director, Secretary or other officer or person who shall have executed the same and/or affixed the Seal (if any) thereto as the case may be for and on behalf of the Company shall have ceased to hold such office or to hold such authority on behalf of the Company.

#### **25.6 Executive Directors**

Subject to these Articles, the Directors may from time to time appoint one of their number to be a managing director, joint managing director or an assistant managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Directors may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so appointed shall receive such remuneration (if any) (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine in accordance with these Articles, and either in addition to or in lieu of his remuneration as a Director.

#### **25.7 Sole Director**

Notwithstanding any provision in these Articles to the contrary, a sole Director shall be entitled to exercise all of the powers and functions of the Directors which may be imposed on them by Law or by these Articles.

### **26. PROCEEDINGS OF DIRECTORS**

#### **26.1 Regulating proceedings**

26.1.1 The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, as they think fit for the purpose of administering the Company's affairs, following receipt of a written request from the holders of a majority of the Shares in

issue that the Directors convene a meeting or otherwise as requested by any Director or in order to comply with applicable law from time to time, and in any event not less than four times a year.

26.1.2 Questions arising at any Board meeting shall be decided by a majority of votes. In case of an equality of votes, no Director (including any chairman) shall have a second or casting vote and the motion shall be deemed to have been lost.

## 26.2 **Members' reserve power**

26.2.1 The Members may, by Special Majority Consent direct the Directors to take, or refrain from taking, specified action.

26.2.2 No such Special Majority Consent referred to in Article 26.2.1 invalidates anything which the Directors have done before the passing of the resolution.

## 26.3 **Ordinary Majority Reserved Matters**

26.3.1 Notwithstanding any other provision in these Articles, the Directors shall not effect (and shall procure that the same is not done) any of the following matters without Ordinary Majority Consent:

- (a) any merger, amalgamation, demerger or corporate reconstruction involving any Group Company or Group Reorganisation;
- (b) the acquisition or disposal of (including the lease to a third party), or the assignment of rights or granting of security or options over, in each case by any Group Company in any financial year, in one transaction or a series of Related Transactions, any item or items with an aggregate book or market value of greater than \$20,000,000 (or an equivalent amount in another currency) other than (i) any such action solely relating to the share capital or other securities in a Group Company (other than the Company); and (ii) the entry into by a Group Company of any time charter with respect to vessels owned by any member of the Group;
- (c) the entry into of any joint venture, partnership, consortium or other similar arrangement by any Group Company where a net asset value in excess of \$20,000,000 is contributed by the Group to such arrangement (for the avoidance of doubt not to include any vessel marketing arrangement where ownership of the vessel remains with a Group Company with no rights over the vessel for any joint venture partner);
- (d) the adoption or variation of, or allocation of benefits to intended beneficiaries under, any equity scheme, any share option or share incentive scheme or employee share trust or share ownership plan or equity retirement benefit scheme for any Group Company, other than the MIP;
- (e) any variation to the terms of the MIP;
- (f) the granting of a power of attorney by a director of any Group Company other than in the ordinary course of business;

- (g) any Exit;
- (h) the appointment or removal of, or the determination of or amendments to the remuneration or conditions of employment of, any member of senior management of a Group Company during the first 12 months immediately following the Restructuring Date, excluding for the avoidance of doubt the execution and entry into of letters of appointment for non-executive directors of the Company, approved by the Board prior to the Restructuring Date and in such form as may be amended in accordance with the terms of such approval;
- (i) the admission of any of the issued ordinary share capital of any Group Company to trading on any over-the-counter market or exchange; or
- (j) the giving or withholding of consent to any TOL Member Reserved Matter, which had it been a matter to be effected by the Directors, would have required Ordinary Majority Consent.

#### 26.4 Special Majority Reserved Matters

26.4.1 Notwithstanding any other provision in these Articles, the Directors shall not effect (and shall procure that the same is not done) any of the following matters without Special Majority Consent:

- (a) any change to or waiver of any provision of the constitutional documents of the Company or the constitutional documents of any other Group Company;
- (b) the liquidation of the Company;
- (c) the presentation of any petition for winding-up or petition for an administration order or anything similar or analogous in any other jurisdiction in respect of the Company, provided that any legal responsibility or obligation of the Directors to make any filing for insolvency shall not be fettered;
- (d) the creation, allotment or issue of shares or of any other security or the grant of any option or rights to subscribe for or to convert any instrument into such amount of shares or securities or the waiver of any right to receive payment in respect of a Group Company's shares that are issued partly paid, other than (i) the allotment or issuance of any shares in any Group Company (or options in respect thereof) pursuant to the MIP or any other staff incentive plan approved by the Members in accordance with these Articles; (ii) the allotment or issuance of Shares to meet further funding requirements of the Company where such Shares have been offered on a pre-emptive basis to all Members pro rata to their holding of Shares; or (iii) the allotment and issue of shares or other securities by one Group Company to another Group Company;
- (e) any reduction of the share capital of the Company (or any Group Company which is not wholly owned (directly or indirectly) by the Company) or variation of the rights attaching to any class of shares in the Company or any redemption, purchase or other acquisition of any shares or other securities of any Group Company other than where such redemption, purchase or other

acquisition is solely in favour of another Group Company, wholly owned (directly or indirectly) by the Company;

- (f) any application by way of capitalisation of any sum in or towards paying up any shares or of any other security in any Group Company or of any amount standing to the credit of the share premium account or capital redemption reserve of any Group Company for any purpose in each case other than where the relevant Group Company is wholly owned (directly or indirectly) by the Company;
- (g) the Business ceasing to be the material part of the business operations of the Group;
- (h) carrying on the Business, other than through a Group Company or a permitted or approved joint venture; or
- (i) the giving or withholding of consent to any TOL Member Reserved Matter, which had it been a matter to be effected by the Directors, would have required Special Majority Consent.

26.4.2 The Company shall supply to the Members all information and documentation reasonably necessary to allow proper consideration to be given, over a reasonable period (being, in each case, no less than five Business Days, or such shorter period as may be agreed by the Members together holding not less than 95% in nominal value of the Shares (excluding, for the avoidance of doubt Unclaimed Shares held by the Trustee)), to any proposed transaction or matter upon which an Ordinary Majority Consent or a Special Majority Consent is sought or required.

26.4.3 To the extent that an Ordinary Majority Reserved Matter or a Special Majority Reserved Matter is approved by the requisite majority, each Member (including holders of MIP Shares) shall vote all Shares that it holds in favour of any additional resolution or approval that may be required in order to effect or implement that matter by applicable law or regulation.

## 26.5 TOL Member Reserved Matters

26.5.1 Upon receipt of a request for consent to a TOL Member Reserved Matter from the TOL Board, the Company shall promptly circulate such request for consent to the Members for signature in accordance with these Articles, providing reasonable details of the TOL Member Reserved Matter to be resolved and specifying whether the TOL Member Reserved Matter needs to be approved by either an Ordinary or Special Majority (the “**TOL Member Reserved Matter Resolution**”).

26.5.2 If the TOL Member Reserved Matter Resolution is passed by the requisite majority of Members as specified as being required in the relevant TOL Member Reserved Matter Resolution, the Company shall promptly provide to the TOL Board written notice of its consent to the TOL Board effecting the TOL Member Reserved Matter which was the subject of the TOL Member Reserved Matter Resolution.

26.5.3 If the TOL Member Reserved Matter Resolution is not passed by the requisite majority of Members as specified as being required in the relevant TOL Member

Reserved Matter Resolution, the Company shall promptly provide to the TOL Board written notice of its refusal to consent to the TOL Board effecting the TOL Member Reserved Matter which was the subject of the TOL Member Reserved Matter Resolution.

## 26.6 **Related Party Transactions**

26.6.1 The Directors shall not approve (and shall procure that the same is not done) the entry into of any transaction by any Group Company with a Member or any of its Connected Persons or Affiliates, other than in the ordinary course of trading on arms' length terms (a "**Related Party Transaction**") without the prior written approval of the holders of a majority of the total number of Shares (excluding MIP Shares) held by Members who are not parties, and whose Affiliates and Connected Persons are not parties, to the Related Party Transaction.

26.6.2 Any transaction where (a) Members holding 90% or more of all Shares (excluding MIP Shares) in issue, excluding Shares held by the Trustee (the "**90%+ Members**") are parties; and/or (b) Affiliates or Connected Persons of the 90%+ Members are parties, will not constitute a Related Party Transaction for the purposes of Article 26.6.1.

26.6.3 Any director of any Group Company who is interested in a Related Party Transaction (excluding, for the avoidance of doubt, any interest arising by virtue of a directorship held at any STG Group Company) shall recuse themselves from decisions relating to such Related Party Transaction.

## 26.7 **Convening a meeting**

26.7.1 A Director or alternate Director may, and the Secretary on the requisition of a Director or alternate Director shall, at any time, summon a meeting of Directors by at least five Business Days' notice in writing to every Director and alternate Director entitled to receive notice of it, provided however that meetings of Directors may be held on shorter notice in the case of an emergency or a liquidity shortfall situation, and notice may be waived by all the Directors (or their alternates) either at, before or retrospectively after the meeting is held provided further that notice or waiver thereof may be given by email or fax. Where such waiver of notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

26.7.2 Notice of any Directors' meeting must indicate:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting;
- (b) copies of any papers to be discussed at the meeting;
- (c) its proposed date and time;
- (d) where it is to take place; and

- (e) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

26.7.3 Matters not on the agenda, or business conducted in relation to those matters may not be raised at a meeting of Directors unless all the Directors agree or subsequently ratify such matters or business.

## 26.8 **Quorum**

26.8.1 The quorum for the transaction of the business of the Directors shall be a majority of the Directors (after excluding, for these purposes only, any Director who is unable, or elects not, to participate in the relevant meeting or decision in accordance with Article 27.4.3(d)), and shall be one if there is a sole Director. An alternate appointed by a Director who is not excluded (or has not excluded himself) from attending shall be counted in a quorum at a meeting at which the Director appointing him is not present provided always that where a Director is acting in his own right and also as an alternate he is only counted once in the quorum. A Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting provided no other Director objects and if otherwise a quorum of Directors would not be present.

26.8.2 If a quorum is not present within 60 minutes of the time specified for a Directors' meeting in the notice of the meeting then it shall be adjourned and reconvened at such time and place as determined by the Directors present (provided reasonable notice of the time, date and place of the reconvened meeting is given to each person entitled to attend the meeting not less than 48 hours before the reconvened meeting). The quorum for any reconvened meeting of the Directors shall be two Directors.

26.8.3 If at the adjourned meeting of Directors a quorum is not present within 60 minutes of the time specified for the Directors' meeting in the adjourned notice of the meeting, the meeting shall be dissolved.

26.8.4 The quorum for the transaction of business of any committee of the Directors shall be a majority of that committee. The other provisions of this Article 26.8 shall apply mutatis mutandis to the operation of such committees.

## 26.9 **Vacancies**

The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

## 26.10 **Chairman**

The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the

same, the Directors present may choose one of their number to be chairman of the meeting.

#### **26.11 Written resolutions of Directors**

A resolution in writing signed by all of the Directors or all of the members of a committee of Directors for the time being entitled to receive notice of a meeting of the Directors (or by an alternate Director as provided in these Articles), including a resolution signed in counterpart and/or sent or evidenced by way of signed fax or electronic transmission, shall be as valid and effectual as if it had been passed at a meeting of the Directors or of a committee of Directors duly called and constituted.

#### **26.12 Board and committee meetings by telephone or other facilities**

26.12.1 Subject to these Articles, Directors participate in a Board or committee meeting, or part of a Board or committee meeting, when:

- (a) the meeting has been called and takes place in accordance with these Articles; and
- (b) they can each communicate to the other Directors simultaneously and instantaneously any information or opinions they have on any particular item of the business of the meeting.

26.12.2 Subject to these Articles, in determining whether Directors are participating in a Board or committee meeting, it is irrelevant how they communicate with each other.

26.12.3 If all the Directors participating in a Board or committee meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

#### **26.13 Validity of acts in spite of defect**

All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **26.14 Minutes**

26.15 The Directors shall cause minutes to be made and records kept for the purpose of recording:

- (a) all appointments of officers made by the Directors;
- (b) the names of the Directors and other persons present at each meeting of the Directors and of any committee of the Directors; and
- (c) all resolutions and proceedings at all meetings of the Members of the Company or any class of Members and of the Directors and of committees of

Directors; and the chairman of all such meetings or of any meeting confirming the minutes thereof shall sign the same.

## **27. DIRECTORS' INTERESTS**

27.1 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as to remuneration and otherwise as the Directors may determine.

27.2 A Director or officer may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or officer.

27.3 No Director or officer shall be disqualified from his office or prevented by such office from holding any office or place of profit under the Company or under any company in which the Company shall be a Member or have any interest, or from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or officer shall be in any way interested be or be liable to be avoided nor shall any Director or officer so contracting, dealing or being so interested be liable to account to the Company for any profit realized or other benefit derived by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established.

### **27.4 Disclosure and nature of interest**

27.4.1 Subject to Article 27.4.3(d), a Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested (directly or indirectly) provided that the nature of the interest of the Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

27.4.2 The nature of the interest of any Director or officer in any contract, dealing or transaction with or affecting the Company shall be disclosed by him at or prior to its consideration and any vote thereon and a general notice that a Director or officer is a shareholder, partner, member, employee, director, officer or agent of any specified firm or company and/or is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure hereunder and after such general notice it shall not be necessary to give special notice relating to any particular transaction at or for the purposes of any subsequent meeting or resolution of the Directors.

27.4.3 If a matter, employment or position of the Director has been disclosed by him in accordance with this Article, whether by general notice or otherwise, no transaction or arrangement relating to such matter, employment or position shall be liable to be avoided on the grounds of such matter, employment or position and the relevant Director:

- (a) shall not breach his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such matter, employment or position;

- (b) shall not, by reason of his office as a Director, be accountable to the Company for any benefit which he or any specified firm or company derives from any such matter, employment or position;
- (c) shall not be required to disclose to the Company, or use in performing his duties as a Director, any confidential information relating to such matter, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, employment or position; and
- (d) shall, unless such obligation is otherwise waived by the Members by Ordinary Majority Consent or by a majority of the non-conflicted Directors, having considered their duties as directors of the Company, absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, employment or position (a “**Conflict Position**”). For the avoidance of doubt, where such a waiver has been given, the relevant Director shall be entitled to attend, speak and vote in respect of any matter that relates to the relevant Conflict Position (whether at the meeting or other decision process at which the disclosure of that Conflict Position is made or at any subsequent meeting or decision process), unless such entitlement is removed or limited by a subsequent Ordinary Majority Consent or vote by the majority of non-conflicted Directors.

## **28. DELEGATION OF DIRECTORS’ POWERS**

### **28.1 Power to delegate**

28.1.1 Subject to these Articles, the Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

28.1.2 Subject to these Articles, the Directors may delegate any of the powers exercisable by them to a Managing Director, Director, committee of Directors or any other person or persons acting individually or jointly as they may from time to time by resolution appoint upon such terms and conditions and with such restrictions as they may think fit, and may from time to time by resolution revoke, withdraw, alter or vary all or any such powers.

### **28.2 Alternate Directors**

28.2.1 Any Director may by writing appoint any other Director, or other person willing to act, to be his alternate and remove his alternate so appointed by him. Such appointment or removal shall be by notice to the Registered Office signed by the

Director making or revoking the appointment or in any other manner approved by the Directors, and shall be effective on the date the notice is served and the alternate shall be notified of such appointment or revocation. Subject to the removal by the appointing Director, the alternate shall continue in office until the date on which his appointor ceases to be a Director. An alternate may also be a Director in his own right and may act as alternate to more than one Director.

28.2.2 An alternate shall be entitled to receive notice of all meetings of the Directors, attend, be counted in the quorum, vote and act in such appointor's place at every such meeting at which the appointing Director is not personally present, and generally to perform all the functions of his appointor as a Director in his absence.

28.2.3 These Articles (except as regards powers to appoint an alternate and remuneration) apply equally to the alternate as though he were the Director in his own right.

28.2.4 An alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him. The signature of an alternate to any resolution in writing of the Directors or a committee thereof shall, unless the terms of the appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he is alternate.

### 28.3 **Committees of Directors**

The Directors may make regulations in relation to the procedures of committees or sub-committees to whom their powers or discretions have been delegated or sub-delegated. Subject to these Articles, the meetings and procedures of any committee or sub-committee shall be governed by such regulations.

### 28.4 **On-going Funding Committee**

28.4.1 The Board will appoint an on-going funding committee at such times as there are non-executive directors ("NEDs") appointed to the Board (the "**On-going Funding Committee**"). At such times as there are:

- (a) one or two NEDs appointed to the Board, the Board shall appoint all such NEDs to the On-going Funding Committee; and
- (b) more than two NEDs appointed to the Board, two such NEDs shall be selected by an Ordinary Majority for appointment to the On-going Funding Committee,

in each case unless otherwise determined by Ordinary Majority Consent. As at the Restructuring Date, the NEDs appointed to the On-going Funding Committee shall be Spencer Wells and Ken Igbokwe.

28.4.2 The exercise by the Company of any of its rights under the On-going Funding Agreement will be referred to the On-going Funding Committee for determination.

28.4.3 At such times as a Chief Financial Officer of the Company (the "**CFO**") has been appointed, the CFO shall be a member of the On-going Funding Committee, except as may otherwise be determined by Ordinary Majority Consent.

28.4.4 At such times as there are no non-executive Directors on the Board and no CFO of the Company has been appointed, the exercise by the Company of any of its rights under the On-going Funding Agreement will be referred to the Board for determination.

28.4.5 All decisions taken by the On-going Funding Committee shall be decided by a majority of votes, other than decisions regarding the exercise of the Company's rights under clauses 10.2(a), 10.5(a) and/or 10.6(a) of the On-going Funding Agreement in respect of which there is a disagreement between the Company and/or TOL on the one hand, and the Bondholder Representatives (as such term is defined in the On-going Funding Agreement) on the other, which shall require the unanimous approval of the NEDs and on which matter the CFO shall not be entitled to vote.

## 28.5 **Officers**

The Directors may appoint a Secretary and such other officers as they may from time to time consider necessary upon such terms as to duration of office, remuneration and otherwise as they may think fit. Such Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide and the Directors may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for any damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Law or these Articles, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Directors.

## 29. **DIRECTORS' REMUNERATION AND EXPENSES**

### 29.1 **Remuneration**

Subject to these Articles, the Directors shall be entitled to such remuneration and fees as may from time to time be determined by the Board (except that the Director in respect of whom the remuneration or fees are being determined shall not vote in determining any resolution concerning such matter, or if he does, his vote shall not be counted).

### 29.2 **Expenses**

Each Director shall also be entitled to be paid his reasonable travelling, hotel and other expenses properly incurred by him in connection with his attendance at meetings of the Directors, committees of the Directors or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

## 30. **SEALS AND DEEDS**

### 30.1 **Use of Seal**

The Directors may determine that the Company shall have a Seal, and if they so determine, shall provide for the safe custody of the Seal. The Seal shall only be used

by the authority of the Directors and in the presence of a Director or the Secretary or such other person as the Directors may by resolution appoint for this purpose, and every instrument to which the Seal affixed shall be signed by the relevant person. Notwithstanding the above, annual returns and notices filed under the Law may be executed either as a deed or under Seal and in either case without the need for the authority of a resolution of the Directors.

### **30.2 Duplicate Seal**

The Company may maintain in any place or places outside the Cayman Islands a facsimile of any Seal and such facsimile seal shall be affixed in the same way as if it were the Seal.

### **30.3 Execution of deeds**

In accordance with the Law, the Company may execute any deed or other instrument (which would otherwise be required to be executed under Seal) by the signature of such deed or instrument as a deed by a Director or by the Secretary of the Company or by such other person as the Directors may appoint or by any other person or attorney on behalf of the Company appointed by a deed or other instrument executed as a deed by a Director or the Secretary or such other person as aforesaid.

## **31. DIVIDENDS AND DISTRIBUTIONS**

### **31.1 Payment of Dividends or Distributions**

31.1.1 The Directors may from time to time declare dividends or distributions to be paid to the Members according to their rights and interests, including such interim dividends as appear to the Directors to be justified by the position of the Company. The Directors may also pay any fixed cash dividend which is payable on any Shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Directors, justifies such payment.

31.1.2 No dividend or distributions shall be paid otherwise than out of profits or out of monies otherwise available for dividend or distribution in accordance with the Law.

### **31.2 Calculation of Dividends or Distributions**

Subject to the rights of Members, if any, entitled to Shares with special rights as to dividends or distributions, all dividends or distributions shall be declared and paid according to the amount paid up on the Shares in respect of which the dividend or distributions is paid and any dividend or distribution on any class of Shares not fully paid shall be declared and paid according to the amounts paid on the Shares of that class, but if and so long as nothing is paid up on any of the Shares in the Company, dividends or distributions may be declared and paid according to the number of Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share. Dividends or distributions may be apportioned and paid pro rata according to the amounts paid-up on the Shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

### **31.3 Deductions**

The Directors may deduct from any dividend, distribution or other monies payable to a Member by the Company on or in respect of any Shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of Shares of the Company.

#### **31.4 Joint Holders**

If several persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other money payable on or in respect of the Share.

#### **31.5 Payment method**

Any dividend, distribution or other monies payable to a Member may be paid by wire transfer to any bank account nominated by a Member for that purpose or by cheque or warrant sent through the post to the address of the Member or person entitled thereto in the Register of Members or, in the case of joint holders addressed to the holder whose name stands first in the Register of Members in respect of the Shares at his registered address as appearing on the Register of Members or to such person and such address as the Member or person entitled or such joint holders as the case may be may direct in writing. Every such cheque or warrant shall, unless the holder or joint holders may in writing direct, be made payable to the order of the person to whom it is sent or to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register of Members in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable or property distributable in respect of the Shares held by such joint holders.

#### **31.6 Satisfaction by distribution of specific assets**

The Directors may declare that any dividend or distribution is paid wholly or partly by the distribution of specific assets and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and where any difficulty arises in regard to such dividend or distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional Shares or ignore fractions altogether and may fix the value for dividend or distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to secure equality of distribution, and may vest any such specific assets in trustees as may seem expedient to the Directors.

#### **31.7 No interest**

No dividend or other distribution or other monies payable by the Company on or in respect of any Share shall bear interest against the Company.

#### **31.8 Unclaimed dividends**

All unclaimed dividends or distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any dividend or distribution unclaimed by a Member six years after the dividend or distribution payment date shall be forfeited and revert to the Company.

## **32. RESERVES**

The Directors may, before declaring any dividend or distribution, set aside such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose of the Company, and pending such application may, in their discretion, be employed in the business of the Company or be invested in such manner as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any sums which they think it prudent not to distribute.

## **33. CAPITALISATION OF PROFITS**

### **33.1 Capitalisation**

The Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its Share Premium Account and capital redemption reserve fund, subject to the Law) or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

### **33.2 Authorisation**

Where any difficulty arises in regard to any distribution under the last preceding Article, the Directors may settle the same as they think expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Directors may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

## **34. SHARE PREMIUM ACCOUNT**

34.1 The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

- 34.2 There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

## **35. ACCOUNTING RECORDS**

### **35.1 Books of account**

The Directors shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Law.

### **35.2 Inspection by Members**

- 35.2.1 The accounting records shall be kept at the Registered Office or at such other place or places as the Directors think fit, and shall at all times be open to inspection by the Directors. No Member (who is not also a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Directors or by the Members by Ordinary Resolution. Notwithstanding the foregoing provisions of Article 35.2.1, any Member shall have the right to receive from the Company an up-to-date copy of the Company's Register of Members promptly following its written request to the Board.

- 35.2.2 The Company shall make available on its website at all times information about the Group and its Business equivalent to the information available to the Bondholders prior to the Restructuring Date in accordance with the terms of the Bonds. From such time as the Bonds are no longer in issue, the Board shall give investment presentations regarding the Group and its Business to the Members once every financial quarter at such time and place as may be notified to the Members in writing, and notice of such presentations shall be given to the Members in accordance with the provisions of these Articles governing the service of notice of the Company's general meetings.

### **35.3 Records and audit**

- 35.3.1 From time to time the Company in general meeting may determine (or revoke, alter or amend any such determination) or, failing such determination, the Directors may determine (or revoke, alter or amend any such determination):
- (a) that the accounts of the Company be audited and the appointment of the Auditors;
  - (b) that there be prepared and sent to each Member and other person entitled thereto a profit and loss account, a balance sheet, group accounts and/or reports for such period and on such terms as they may determine; and

- (c) that there be laid before the Company in general meeting a copy of every balance sheet together with a copy of the Auditor's report.

#### **35.4 Information for U.S. tax purposes**

As soon as practicable after the end of each taxable year, the Company shall furnish to each Member such information as is reasonably requested by a Member to the extent required to enable that Member together with its Affiliates to properly report for U.S. federal, state and local income tax purposes the Member's distributive or proportionate share of the Company's income, gain, loss, deduction or credit for such year.

### **36. SERVICE OF NOTICES AND DOCUMENTS**

#### **36.1 Form and delivery of notices**

36.1.1 Notices or other documents or communications may be given to any Member by the Company either personally or by sending it by courier, post, fax or email to him to his registered address, or (if he has no registered address) to the address, if any, supplied by him to the Company for the giving of notices to him. Any notice shall be deemed to be effected:

- (a) if delivered personally or sent by courier, by properly addressing and prepaying a letter containing the notice; and to have been effected, in the case of a notice of a meeting, when delivered;
- (b) if sent by post, by properly addressing, prepaying, and posting a letter containing the notice (by airmail if available) and to have been effected, in the case of a notice of a meeting, at the expiration of three days after it was posted; and
- (c) if sent by fax or email by properly addressing and sending such notice through the appropriate transmitting medium and to have been effected on the day the same is sent.

36.1.2 A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder named first in the Register of Members in respect of the Share.

36.1.3 A notice may be given by the Company to the person entitled to a Share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

36.1.4 Notice of every general meeting shall be given in any manner hereinbefore authorised to:

- (a) every Member entitled to vote except those Members entitled to vote who (having no registered address) have not supplied to the Company an address for the giving of notices to them; and
- (b) every person entitled to a Share in consequence of the death or bankruptcy of a Member, who, but for his death or bankruptcy would be entitled to receive notice of the meeting.

36.1.5 No other persons shall be entitled to receive notices of general meeting.

## **37. WINDING UP**

### **37.1 Method of winding up**

Subject to the rights attaching to any Shares, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law or these Articles, divide amongst the Members, *pari passu* according to the number of Shares held by the relevant Member at the relevant time, in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is any liability.

### **37.2 Distribution of assets**

If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the Shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

## **38. EXIT**

38.1 If the Board and the Members, by Ordinary Majority Consent, approve:

38.1.1 a Sale;

38.1.2 an Asset Sale; or

38.1.3 an IPO (together with a Sale and an Asset Sale, each an “**Exit**”),

each Member shall, as required, take all reasonable actions (provided such actions do not require it to incur any material expense) necessary to:

- 38.1.4 facilitate the appointment of professional and corporate finance advisers approved by the Board for and on behalf of the Company (and/or the relevant Subsidiary);
- 38.1.5 assist in the production and negotiation of such documentation as is required to effect the Exit; and
- 38.1.6 give such co-operation and assistance as the Board and/or the Ordinary Majority reasonably request (acknowledging that a Member will not be required to give any representations other than as to title to its Shares and capacity),

provided, in each case, that a Member shall not be obliged to sell its Shares in connection with an IPO other than as part of a share exchange (in which all Members participate in proportion to their holdings of Shares and which preserves all material rights of Members under these Articles in the event that such IPO does not complete) for shares in a new holding company formed for the sole purpose of achieving the IPO.

38.2 Further, in the event of an Exit, the Board shall have the right to:

- 38.2.1 where the Exit is a Sale, require all other Members to transfer all of their Shares and any other securities in the Company or any of its Subsidiaries to the proposed transferee on the same terms and in accordance with Article 8.5; or
- 38.2.2 where the Exit is an IPO, require all other Members to take such actions as are necessary to effect an IPO and any pre-IPO reorganisation.

38.3 The rights of the Board under Article 38.2 will terminate upon the earliest to occur of:

- 38.3.1 the Exit; and
- 38.3.2 the consummation of a liquidation of the Company and distribution of proceeds to, or into escrow for the benefit of, the Members in accordance with the Articles.

38.4 The Directors shall actively seek out opportunities to effect an Exit from the date which is two years immediately following the Restructuring Date which, in their reasonable opinion, an Ordinary Majority is likely to approve pursuant to Article 38.1, and shall take all reasonable actions as are necessary to support the preparation, negotiation and implementation of any Exit in accordance with Article 38 which is identified pursuant to this Article 38.4 and approved by an Ordinary Majority. Notwithstanding the foregoing provisions of this Article 38.4, an Exit may occur at any time in accordance with Article 38.

38.5 In discharging its obligations under Article 38.4, the Board shall appoint a reputable corporate finance adviser (a "CFA") to seek out buyers and provide a way of achieving an Exit which, in the Board's reasonable opinion, an Ordinary Majority is likely to approve pursuant to Article 38.1. The Board shall ensure that the CFA has not less than six months to identify potential buyers and make a recommendation to the Board on an Exit.

38.6 Should the Board decide, acting reasonably, that the CFA's work or recommendation as to an Exit does not merit a proposal being put forward for Ordinary Majority approval; it will notify the Members accordingly. Any Member shall have the right to request from the Board all relevant correspondence with, and information and materials of, the CFA that formed the basis of such decision, subject to such Member entering into a non-disclosure agreement in substantially the form set out in Appendix 3B or in such other form reasonably acceptable to the Board (in each case, an "Exit NDA").

## **39. INDEMNITY AND INSURANCE**

### **39.1 Indemnity and limitation of liability**

39.1.1 Every Indemnified Person shall, in the absence of fraud or wilful misconduct, be indemnified and held harmless out of the assets of the Company against all liabilities, loss, damage, cost or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses on a full indemnity basis properly payable) incurred or suffered by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties and the indemnity contained in this Article shall extend to any Indemnified Person acting in any office or trust in the reasonable belief that he has been appointed or elected to such office or trust notwithstanding any defect in such appointment or election. For the avoidance of doubt, the indemnity under this Article 39.1 shall extend to any liabilities, losses, costs or damages incurred by any Indemnified Person in exercising any discretion expressly conferred on him pursuant to these Articles and no fraud or wilful misconduct shall be attributed to any such loss or liability unless adjudged or ruled otherwise by a court of competent jurisdiction.

39.1.2 No Indemnified Person shall be liable to the Company for acts, defaults or omissions of any other Indemnified Person.

### **39.2 Indemnity and reimbursement**

39.2.1 Every Indemnified Person shall be indemnified out of the funds of the Company against all liabilities incurred by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application in which relief from liability is granted to him by the court.

39.2.2 To the extent that any Indemnified Person is entitled to claim an indemnity pursuant to these Articles in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

### **39.3 Fraud or wilful misconduct**

Each Member and the Company agree to waive any claim or right of action he or it may at any time have, whether individually or by or in the right of the Company, against any Indemnified Person on account of any act or omission of such

Indemnified Person in the performance of his duties for the Company; provided however, that such waiver shall not apply to any claims or rights of action arising out of the fraud or wilful misconduct of such Indemnified Person or to recover any gain, personal profit or advantage to which such Indemnified Person is not legally entitled.

#### **39.4 Advance of legal fees**

Expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to these Articles shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall ultimately be determined that the Indemnified Person is not entitled to be indemnified pursuant to these Articles. Each Member of the Company shall be deemed to have acknowledged and agreed that the advances of funds may be made by the Company as aforesaid, and when made by the Company under this Article are made to meet expenditures incurred for the purpose of enabling such Indemnified Person to properly perform his or her duties to the Company.

#### **39.5 Insurance**

39.5.1 The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, for the benefit of any Indemnified Person in respect of any relevant loss.

39.5.2 In Article 39.5.1, a **relevant loss** means any loss or liability which has been or may be incurred by an Indemnified Person in connection with that Indemnified Person's duties or powers in relation to any Group Company, or any pension fund or employees' share scheme of any Group Company.

#### **40. CONTINUATION**

The Company shall have the power, subject to the provisions of the Law and with the approval of a Special Resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.

#### **41. AMENDMENT OF MEMORANDUM AND ARTICLES**

Subject to the provisions of the Law, the Company may from time to time by Special Resolution alter or amend the Memorandum or these Articles in whole or in part, other than any alteration or amendment to Article 23.2.1 during the Initial Period. The alteration or amendment of Article 23.2.1 during the Initial Period shall require a Special Resolution approved by (i) the holders of 75% or more of the votes cast at the relevant general meeting, or (ii) confirmation in writing from the holders of 75% or more of the Shares (excluding the MIP Shares).

**APPENDIX 1  
SHARE ISSUANCE FORM**

**SHARE ISSUANCE FORM**  
(this "Form")

Date: \_\_\_\_\_

**TO:**  
**Telford Offshore Holdings Limited (the "Issuer")**  
**Clifton House, 75 Fort Street**  
**PO Box 1350, Grand Cayman**  
**KY1 1108, Cayman Islands**

**and**

**Estera Trust (Cayman) Limited ("Estera")**  
**Clifton House, 75 Fort Street**  
**PO Box 1350, Grand Cayman**  
**KY1-1108, Cayman Islands**

each c/o [mail@nordictrustee.no](mailto:mail@nordictrustee.no) and [SeaTrucks@akingump.com](mailto:SeaTrucks@akingump.com)

**\*To be received by the Issuer and Estera by sending via electronic mail to**  
**[mail@nordictrustee.no](mailto:mail@nordictrustee.no) and [SeaTrucks@akingump.com](mailto:SeaTrucks@akingump.com) on or before 13:00 Oslo time on**  
**Monday 12 February 2018 (the "Deadline")\***

**FROM:**

\_\_\_\_\_  
*(Name of Bondholder)*

Terms used but not defined in this Form shall, unless otherwise stated, have the meanings given to them in the summons dated 6 February 2018 (the "**Summons**"). The term "**Newco Share**" shall bear the same meaning as the definition of "Share" in the articles of association of the Issuer to be adopted by the Issuer on or around the Deadline (the "**Articles**").

FOR GUIDANCE ON THE PURPOSE OF THIS FORM, PLEASE REFER TO SECTION 3.4(ii) OF THE SUMMONS.

**FAILURE BY A BONDHOLDER TO VALIDLY COMPLETE, EXECUTE AND SUBMIT THIS FORM TO THE ABOVE EMAIL ADDRESSES IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THIS FORM PRIOR TO THE DEADLINE WILL RESULT IN SUCH BONDHOLDER OR ITS NOMINATED RECIPIENT (AS APPLICABLE) NOT BEING ISSUED WITH NEWCO SHARES ON THE DATE OF COMPLETION OF THE RESTRUCTURING (THE "RESTRUCTURING COMPLETION DATE").**

## ACTIONS REQUIRED

In order to elect to receive, or nominate a person to receive on its behalf (any such person, a “**Nominated Recipient**”), its pro rata portion of Newco Shares, and for it or its Nominated Recipient (if applicable) to be issued such Newco Shares on the Restructuring Completion Date, a Bondholder must:

- **Elect** for it or its Nominated Recipient to receive its pro rata portion of Newco Shares, by ticking the appropriate box in paragraph 1.1, being the number of Newco Shares calculated using the formula set out in paragraph 1.2.
- **Give** by signing this Form the confirmations, representations, acknowledgments and agreements set out in paragraph 3 below.
- **Provide** (i) details required by the Issuer and Estera pursuant to paragraph 2 and Annexure 1 (*Shareholder and Share Issuance Information*) below and (ii) proof of the principal amount of Bonds held as at 9am Oslo time on Friday 9 February 2018 (the “**Record Date**”).
- **Submit** this Form by the Deadline (being 13:00 Oslo time on Monday 12 February 2018) to the Issuer and Estera care of the email addresses set out above.

A Bondholder may submit this Form once only in respect of its entire holding of the Bonds.

The confirmations, representations, acknowledgements and agreements given in paragraph 3 below are provided to the Issuer and Estera.

### 1. ELECTION TO RECEIVE NEWCO SHARES

1.1 Please tick the applicable box to elect for you **or** your Nominated Recipient to receive Newco Shares:

- We elect to receive Newco Shares under the Restructuring.
- We elect for our Nominated Recipient to receive Newco Shares under the Restructuring, further details of which are set out in Annex 1.

1.2 We understand that our entitlement to the Newco Shares will be calculated by reference to the principal amount of Bonds we hold as at the Record Date using the following formula:

$$A = \frac{x}{y}(z)$$

where:

*A* is the number of Newco Shares that we will be entitled to;

*x* is the principal amount of Bonds that we hold as at the Record Date;

y is 456,061,061, being the total principal amount of Bonds as at the Record Date;  
and

z is 10,000,000, being the total number of Newco Shares that will be issued to the Bondholders pursuant to the Restructuring.

Accordingly, we or our Nominated Recipient (if applicable) will be entitled to \_\_\_\_\_ Newco Shares.

EACH BONDHOLDER WHICH ELECTS FOR IT OR ITS NOMINATED RECIPIENT (IF APPLICABLE) TO RECEIVE NEWCO SHARES MUST INSERT THE AMOUNT OF NEWCO SHARES TO WHICH IT OR ITS NOMINATED RECIPIENT (IF APPLICABLE) IS ENTITLED (AS CALCULATED USING THE SPECIFIED FORMULA) IN THE SPACE ABOVE. FAILURE TO DO SO CONSTITUTES A FAILURE TO VALIDLY COMPLETE THIS FORM AND YOU WILL BE DEEMED TO HAVE ELECTED FOR NEITHER YOU NOR YOUR NOMINATED RECIPIENT TO RECEIVE NEWCO SHARES ON THE RESTRUCTURING COMPLETION DATE.

## **2. SHAREHOLDER DETAILS**

BONDHOLDERS MUST PROVIDE ALL DETAILS IN THE FORM SET OUT AT ANNEXURE 1 IN ORDER FOR THEM OR THEIR NOMINATED RECIPIENT (IF APPLICABLE) TO BE ISSUED NEWCO SHARES ON THE RESTRUCTURING COMPLETION DATE.

IF ON THE RESTRUCTURING COMPLETION DATE, A TRANSFER OF THE ISSUED NEWCO SHARES TO A BONDHOLDER OR ITS NOMINATED RECIPIENT (IF APPLICABLE) FAILS DUE TO INCOMPLETE OR INSUFFICIENT DETAILS PROVIDED IN THE FORM AS REQUIRED BY ANNEXURE 1, THE ISSUED NEWCO SHARES FOR SUCH BONDHOLDER OR ITS NOMINATED RECIPIENT (IF APPLICABLE) WILL ON THE RESTRUCTURING COMPLETION DATE BE DELIVERED TO ESTERA TO BE HELD ON TRUST FOR SUCH BONDHOLDER OR ITS NOMINATED RECIPIENT (IF APPLICABLE). THE ISSUER AND/OR ESTERA SHALL NOTIFY THE RELEVANT BONDHOLDER THEREOF ON THE RESTRUCTURING COMPLETION DATE.

THE RELEVANT BONDHOLDER SHALL BE REQUIRED TO PROVIDE THE ISSUER AND ESTERA WITH COMPLETE AND SUFFICIENT DETAILS AS SOON AS PRACTICALLY POSSIBLE AFTER THE RESTRUCTURING COMPLETION DATE IN ORDER FOR THE ISSUED NEWCO SHARES HELD BY ESTERA TO BE TRANSFERRED TO THE RELEVANT BONDHOLDER OR ITS NOMINATED RECIPIENT (IF APPLICABLE).

## **3. GENERAL CONFIRMATIONS**

By signing this Form, each of the Bondholders hereby confirms, represents, acknowledges and agrees in respect of itself, its Nominated Recipient and each other person or account (if any) for which it is acting, that:

- i. the Bondholder or its Nominated Recipient (if applicable) is (a) located outside the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or (b) either (1) a “qualified institutional buyer” (“**QIB**”) as defined in Rule 144A (“**Rule 144A**”) under the U.S. Securities Act or (2) an institutional “accredited investor” (“**IAI**”) within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act or an entity wholly owned by any person that is an “accredited investor” within the meaning of clauses (1), (2), (3) or (7) of paragraph (a) of Rule 501 of Regulation D under the U.S. Securities Act;
- ii. the Bondholder or its Nominated Recipient (if applicable) is a person whose ordinary activities involve it in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of its business and who has professional experience in matters relating to investments and (a) if it is established in a member state of the European Economic Area (“**EEA**”), it is a “qualified investor” as defined in Article 2.1(e) of Directive 2003/71/EC as amended, including by the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU) and to the extent implemented in the relevant member state (the “**Prospectus Directive**”); (b) if it is established in the United Kingdom, is an investment professional as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or in Article 49(2)(a) to (d) of the Order (“**UK Qualified Investors**”); or (c) is otherwise a person to whom the Newco Shares may lawfully be offered under applicable laws and regulations, including as a result of being a person defined in Part I of Annex II of Directive 2004/39/EC (“**permitted investor**”);
- iii. the Bondholder or its Nominated Recipient (if applicable) is acquiring the Newco Shares for its own account or for the account of a QIB or IAI or the account of a “qualified investor” as defined in Article 2.1(e) of the Prospectus Directive or the account of UK Qualified Investors or the account of a permitted investor;
- iv. the Bondholder and its Nominated Recipient (if applicable) have not offered or sold and will not offer or sell any Newco Shares to any person in the EEA (including the United Kingdom) in connection with the issuance of Newco Shares to it or its Nominated Recipient (if applicable), except to qualified investors as defined in Article 2.1(e) of the Prospectus Directive or to UK Qualified Investors or to permitted investors;
- v. the Bondholder and its Nominated Recipient (if applicable) has not communicated or caused to be communicated and will not communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) relating to the Newco Shares other than in

circumstances in which it is permitted to do so pursuant to section 21 of FSMA;

- vi. the Bondholder and its Nominated Recipient (if applicable) has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Newco Shares in, from or otherwise involving the United Kingdom;
- vii. neither this Form nor any other communication in connection with its election for it or its Nominated Recipient (if applicable) to receive Newco Shares constitutes an invitation, offer or promotion;
- viii. the Bondholder or its Nominated Recipient (if applicable) has not purchased the Newco Shares as a result of any general solicitation or general advertising within the meaning of Rule 502(c) under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising or through any invitation, offer or promotion within the meaning of section 21 of FSMA;
- ix. the Bondholder and its Nominated Recipient (if applicable) understands that (a) the Newco Shares have not been and will not be registered under the U.S. Securities Act or the laws of any state or territory of the United States, (b) that the Newco Shares issued in the United States will be “restricted securities” (as defined in Rule 144 under the U.S. Securities Act) and (c) that the Newco Shares may not be reoffered, resold, pledged or otherwise transferred, except (A) to the Issuer, (B) to a person whom the Bondholder or its Nominated Recipient (as applicable) and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; (C) in an “offshore transaction” in accordance with Regulation S under the U.S. Securities Act; (D) in accordance with Rule 144 under the U.S. Securities Act (if available); (E) pursuant to any other exemption from the registration requirements of the U.S. Securities Act; or (F) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction;
- x. the Bondholder and its Nominated Recipient (if applicable) have had access to and have received such financial and other information regarding the Issuer and the Newco Shares as the Bondholder and its Nominated Recipient (if applicable) deems necessary in order to make its investment decision to purchase the Newco Shares. If the Bondholder or its Nominated Recipient (if applicable) has had any questions regarding the Issuer or the Newco Shares, the Bondholder or its Nominated Recipient (if applicable) has asked these questions and has received satisfactory answers from representatives of the

Issuer. The Bondholder and its Nominated Recipient (if applicable) have not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person other than the Issuer or any of its affiliates;

- xii. the Bondholder or its Nominated Recipient (if applicable) is a sophisticated institutional investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Newco Shares and the Bondholder or its Nominated Recipient (if applicable) is able to bear the economic risks of such an investment, including the loss of its entire investment. In the normal course of its business, the Bondholder or its Nominated Recipient (if applicable) invests in or purchases securities similar to the Newco Shares. The Bondholder or its Nominated Recipient (if applicable) is aware that it may be required to bear the economic risk of an investment in the Newco Shares for an indefinite period of time, and it is able to bear such risk for an indefinite period. The Bondholder or its Nominated Recipient (if applicable) understands that it will not be able to liquidate its investment in any circumstances or pledge any of the Newco Shares as collateral for a loan;
- xiii. the Bondholder and its Nominated Recipient (if applicable) have relied upon their own tax, legal and financial advisers in connection with its decision to purchase Newco Shares and believes that an investment in the Newco Shares is suitable for the Bondholder or its Nominated Recipient (if applicable) based upon the Bondholder's or its Nominated Recipient's (if applicable) investment objectives, financial needs and personal contingencies; the Bondholder or its Nominated Recipient (if applicable) has no need for liquidity of investment with respect to the Newco Shares;
- xiv. the Bondholder or its Nominated Recipient (if applicable) is not acquiring the Newco Shares with a view to or for the purposes of resale, distribution or fractionalisation, in whole or in part, of the Newco Shares. The Bondholder or its Nominated Recipient (if applicable) has made no agreement with others regarding any of the Newco Shares. The Bondholder and its Nominated Recipient (if applicable) are aware that, in the view of the U.S. Securities and Exchange Commission, a purchase of the Newco Shares with an intent to distribute in connection with any foreseeable, specific contingency or anticipated change in market values, or any change in the condition of the Issuer, or a contemplated liquidation or settlement of any loan obtained for the acquisition of the Newco Shares and for which the Newco Shares were pledged, would, in each case, represent an intent inconsistent with the representations set forth herein;
- xv. the Bondholder or its Nominated Recipient (if applicable) agrees that so long as any Newco Shares are "restricted securities" as defined in Rule 144 under the U.S. Securities Act, it shall notify each transferee of Newco Shares from it

that (a) such Newco Shares have not been registered under the U.S. Securities Act or the securities laws of any state or territory of the United States; (b) such Newco Shares are subject to the restrictions on the resale or other transfer thereof described above; (c) such transferee shall be deemed to have represented (A) that (1) it is acquiring the Newco Shares in an offshore transaction pursuant to Regulation S under the U.S. Securities Act, (2) it is a QIB acquiring the Newco Shares in a transaction that complies with the requirements of the exemption from registration provided for in Rule 144A and any applicable laws of any state of the United States, or (3) that it is an investor acquiring the Newco Shares pursuant to another exemption from registration under the U.S. Securities Act and any applicable laws of any state or territory of the United States; and (d) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

- xv. the Issuer, Estera and their respective representatives, will rely on the truth and accuracy of the statements made herein in making any transfer of Newco Shares to the Bondholder or its Nominated Recipient (if applicable), and that such statements will survive the execution and delivery of this document and the Bondholder's or its Nominated Recipient's (if applicable) dealing in the Newco Shares, and the Bondholder agrees to notify the Issuer and Estera promptly in writing if any such statements cease to be accurate and complete;
- xvi. the Bondholder and its Nominated Recipient (if applicable) will comply with all applicable securities laws of any state or territory of the United States or any other applicable jurisdiction, including, without limitation "blue sky" laws, and acceptance of the Newco Shares will not violate any law applicable to it;
- xvii. the Bondholder and its Nominated Recipient (if applicable) understand that the Newco Shares (to the extent they are in certificated form) will bear a legend for the purposes of complying with the U.S. Securities Act;
- xviii. the Bondholder's or its Nominated Recipient's (if applicable) receipt of the Newco Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act;
- xix. due to anti-money laundering and the countering of terrorist financing requirements, the Issuer and/or Estera may require proof of the Bondholder's and its Nominated Recipient's (if applicable) and related parties' identities and Bond holdings before its election to receive Newco Shares can be processed and that, in the event of delay or failure by the Bondholder or its Nominated Recipient (if applicable) to produce any information required for verification purposes, the Issuer and/or Estera may refuse to accept its election for it or its Nominated Recipient (if applicable) to receive Newco Shares;
- xx. all information provided on this Form by the Bondholder is true and accurate to the best of its knowledge and belief;

- xxi. the confirmations, representations, acknowledgements and agreements given by the Bondholder in this Form are given at the time of the execution of this Form and are irrevocable. The Issuer and Estera and persons acting on their behalf in connection with the Restructuring will rely on the truth and accuracy of the confirmations, representations, acknowledgements and agreements set out in this Form;
- xxii. the Bondholder and its Nominated Recipient (if applicable) understand that the Issuer will not recognise any offer, sale pledge or other transfer of the Newco Shares made other than in compliance with the above-stated restrictions; and
- xxiii. the Bondholder and its Nominated Recipient (if applicable) each agree that the Issuer, the Issuer's agents, advisers and representatives, Nordic Trustee AS and Nordic Trustee AS's agents, advisers and representatives shall not be liable to any person in respect of the underlying supporting calculation of entitlements or allocations (or lack thereof) of any Bondholder or its Nominated Recipient (if applicable) with respect to Newco Shares.

**We hereby agree to the terms of this Form and confirm that by signing this Form, we give each of the confirmations, representations, acknowledgements and agreements set out in paragraph 3.**

**Signed and delivered as a deed by:**

.....  
Authorised signatory on behalf of:

\_\_\_\_\_  
*(Name of Bondholder)*

in the presence of:

Witness signature	_____
Witness name	_____
Address	_____
	_____

**Annexure 1**  
**Shareholder and Share Issuance Information**

<i>Legal name of entity to receive Newco Shares:  (being the Bondholder or its Nominated Recipient elected to receives Newco Shares pursuant to paragraph 1.1 of the Form)</i>	
<i>Full address of Bondholder or its Nominated Recipient (if applicable):</i>	
<i>Company registration number and registration authority, where relevant of Bondholder or its Nominated Recipient (if applicable):</i>	
<i>Country of incorporation, where relevant of Bondholder or its Nominated Recipient (if applicable):</i>	
<i>Contact person, telephone and e-mail of Bondholder or its Nominated Recipient (if applicable):</i>	

**Please complete and sign this Form (including Annexure 1) and submit it, together with proof of the principal amount of Bonds held as at 9am Oslo time on Friday 9 February 2018, to [mail@nordictrustee.no](mailto:mail@nordictrustee.no) and [SeaTrucks@akingump.com](mailto:SeaTrucks@akingump.com).**

**APPENDIX 2**  
**WAV CERTIFICATION**

To: Telford Offshore Holdings Limited (the “Company”)  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

The undersigned, being a shareholder of the Company as at the date of this certificate hereby certifies either:

1. that it:
  - (a) is not (i) West African Ventures Ltd (“WAV”); (ii) any Affiliate of WAV; (iii) Jacobus Johannes Roomans, whether known under such name, or any other name or alias; (“JJR”); (iv) any Connected Person of JJR; or (v) any undertaking which is controlled directly or indirectly by JJR (each of (i) to (v) above, a “WAV Entity”); and
  - (b) is not holding Shares on behalf of, or acting in concert with, any WAV Entity, in respect of Shares acquired by it (other than as a result of an initial Share issuance by the Company) on or after the Restructuring Date;

**OR**

2. that it is a WAV Entity that holds Shares only as a result of an exchange for Bonds pursuant to the terms of the Implementation Deed and/or the Trust Deed (as applicable) (a “Compliant WAV Entity”).

For the purposes of this certificate:

“**acting in concert**”: persons acting in concert are persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate or agree to act in a certain way with respect to the holding of Shares or the exercise of voting rights arising out of Shares.

“**Affiliate**”: means in relation to WAV, a Subsidiary of WAV, a Holding Company of WAV or any other Subsidiary of that Holding Company, or any Related Fund of WAV.

“**Bonds**”: means the nine per cent. senior secured callable bonds due 2013/2018 issued by STG.

“**Connected Person**”: means, in relation to JJR:

- (a) any spouse, civil partner, or other person with whom JJR lives as partner in an enduring family relationship (a “Cohabitee”), children, step-children, minor children or step-children of any Cohabitee, or parents, siblings or siblings of parents, or any of such person’s descendants;
- (b) a body corporate in which JJR and persons connected with JJR together (i) are interested in shares comprised in the equity share capital of that body corporate of a nominal value

equal to at least 20% of that share capital, or (ii) are entitled to exercise or control the exercise of more than 20% of the voting rights at any general meeting of that body corporate;

- (c) a person acting in his capacity as trustee of a trust (i) the beneficiaries of which include JJR or a person who by virtue of sub-clauses (a) or (b) is connected with JJR, or (ii) the terms of which confer a power on the trustees that may be exercised for the benefit of JJR or any such person;
- (d) a person acting in his capacity as partner or employee (i) of JJR, or (ii) of a person who, by virtue of sub-clauses (a), (b) or (c), is connected with JJR;
- (e) a partnership in which (i) JJR is a partner, (ii) a partner is a person who, by virtue of sub-clauses (a), (b) or (c) is connected with JJR, or (iii) a partner is a partnership in which JJR is a partner or in which there is a partner who, by virtue of sub-clauses (a), (b) or (c), is connected with JJR; or
- (f) any body corporate of which JJR is a director.

**“control”**: (together with its correlative meanings **controlled by** and **under common control with**) means with respect to any body corporate, the possession, directly or indirectly, of power to direct or cause the direction of management or policies of such body corporate (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise).

**“Existing Bondholders”**: means the holders of Bonds as at the Restructuring Date.

**“Holding Company”**: means in relation to WAV, any other person in respect of which WAV is a Subsidiary.

**“Identified Existing Bondholders”**: means each of the Existing Bondholders which has satisfied all conditions for being recorded in the Company’s register of members as a shareholder of the Company on or before the date of the Implementation Deed.

**“Implementation Deed”**: means the deed to be entered into between, amongst others, the Company, STG and Nordic Trustee AS on or about the date of adoption of the Company’s articles of association, pursuant to which, amongst other things, the Company issued Shares to Identified Existing Bondholders in exchange for the Bonds.

**“Related Fund”**: means in relation to WAV, a fund or other entity which is managed or advised by WAV or an Affiliate of WAV.

**“Restructuring Date”**: means 9:00am (in the Cayman Islands) on the date on which the Company first issues Shares to Identified Existing Bondholders in exchange for their Bonds pursuant to the steps set out in the Implementation Deed.

**“Share”**: means an ordinary share in the capital of the Company, which includes a fraction of a share.

**“STG”**: means Sea Trucks Group Limited (in liquidation), a company incorporated and registered in the British Virgin Islands with company number 1588282 whose registered office is at the Akara Building, 24 De Castro Street, Wickham’s Cay 1, Road Town, Tortola, British Virgin Islands.

**“Subsidiary”**: a person is a Subsidiary of WAV, its Holding Company, if WAV:

- (a) holds a majority of the voting rights in it;
- (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a person that is itself a Subsidiary of WAV.

**“Trustee”**: means Estera Trust (Cayman) Limited or the trustee or trustees of the trust created by the Trust Deed for the time being.

**“Trust Deed”**: means the deed of trust dated on or about the date of the Implementation Deed, pursuant to which the Trustee holds the Unclaimed Shares on trust for the Unknown Members.

**“Unclaimed Bonds”**: means Bonds which the Company has not identified as being owned by Identified Existing Bondholders.

**“Unclaimed Shares”**: means the Shares which are issued to the Trustee in respect of the Unclaimed Bonds following the issuance of Shares to the Identified Existing Bondholders pursuant to the Implementation Deed.

**“Unknown Members”**: means Existing Bondholders who are not Identified Existing Bondholders but who would otherwise be entitled to the Unclaimed Shares in accordance with the Company’s articles of association.

---

For and on behalf of [*insert name of shareholder*]

Name:

Position:

Date:

**APPENDIX 3A  
SHARE SALE NDA**

[Name and address of Shareholder] (the “**Recipient**”)

Attn: [•]

[•] 2018

Dear Sirs

**Telford Offshore Holdings Limited (“Telford”)**

Confidentiality Letter (“**Letter**”)

You, the undersigned, being a shareholder of Telford (a “**Shareholder**”) as at the date of this Letter, have expressed an interest in reviewing certain confidential information in respect of discussions between any Shareholder holding 25% or more of the Shares (a “**Selling Shareholder**”) and a Third Party with regards to a potential sale of the Selling Shareholder’s Shares (a “**Proposed Transaction**”) that has been disclosed to the Board by that Shareholder pursuant to article 8.5.12 of Telford’s articles of association (the “**Articles**”). Accordingly, Telford is prepared to disclose to you, or to arrange the disclosure to you of, certain Information (as defined below) that you have requested Telford provide to you concerning any Proposed Transaction, in consideration of your acceptance of the following terms and conditions:

In this Letter unless a contrary indication appears, terms used in the Articles have the same meaning herein and:

“**Information**” means this Letter and all information that is supplied to the Recipient or its Representatives by, or on behalf of, Telford (a) relating to the Proposed Transaction; or (b) relating to the existence of discussions with respect to the Proposed Transaction, whether orally, in writing or in any form, whether before or after the date of this Letter, or any other documents or information which contain or reflect or are generated from such information;

“**Parties**” means Telford and the Recipient, and “**Party**” means either of them;

“**Person**” means, without limitation, an individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation, or a government or agency or political subdivision thereof; and

“**Representatives**” means a Person’s officers, directors, employees and professional advisers, solely to the extent the same have been instructed or engaged and are subject to professional confidentiality requirements.

In consideration of Telford agreeing to supply Information to the Recipient, the Recipient undertakes and agrees with Telford as follows:

**1. Duty of Confidentiality**

- 1.1 Except as otherwise agreed to by Telford, the Information will be used by the Recipient solely and exclusively in connection with (a) considering and evaluating the Proposed Transaction, (b) exercising its rights as a Shareholder under the Articles or otherwise, or (c) as a reference point in making its own offer for Shares, including without limitation the Selling

Shareholder's Shares, and in each case the Recipient shall not use, and shall procure that the Recipient's Representatives do not use, the Information for any other purpose.

- 1.2 The Recipient shall hold the Information in strict confidence and, subject to the terms hereof, will not disclose, copy, reproduce or distribute any of it or otherwise make it available to any Person other than:
- (a) to other Shareholders who have entered into confidentiality agreements with Telford substantially in the form of this Letter with respect to the disclosure of information by the Board to those Shareholders regarding the Proposed Transaction;
  - (b) with Telford's express prior written approval; and
  - (c) to the Recipient's Representatives, who need to know such information for the purposes of considering and evaluating the Proposed Transaction.
- 1.3 The Recipient shall ensure that each of its Representatives to whom Information is disclosed is made aware of (in advance of disclosure), and adheres to, the terms of this Letter and the Recipient shall be responsible for any breach of such terms by its Representatives.
- 1.4 The Recipient and its Representatives shall keep the Information securely and properly protected against theft, damage, loss and unauthorised access (including access by electronic means) using measures no less onerous than those used to protect the confidentiality of its own confidential information.

## **2. Exceptions**

- 2.1 The undertakings in paragraph 1 shall not apply to Information which:
- (a) is already in the Recipient's possession on a non-confidential basis at the time it is first supplied by or on behalf of Telford to the Recipient (the "Time of Supply");
  - (b) at the Time of Supply, is in the public domain;
  - (c) subsequent to the Time of Supply comes into the public domain, except through breach of the undertakings set out in this Letter or through breach of any other duty of confidentiality relating to that Information of which the Recipient is aware; or
  - (d) is required to be disclosed by applicable law or regulation, or any governmental, banking, taxation or other regulatory authority, as long as and to the extent legally practicable in the circumstances the Recipient (i) promptly notifies Telford of such requirement; and (ii) consults with Telford before such disclosure on the proposed form, timing, nature and purpose of the disclosure. The Recipient must use reasonable efforts to limit such disclosure to the minimum extent necessary to comply with its disclosure obligations, and use reasonable efforts to obtain reliable assurances that confidential treatment will be afforded to the disclosed Information.
- 2.2 Following receipt of a request from Telford at any time, the Recipient undertakes to Telford to return to it all the Information received under the terms of this Letter without retaining any copies, extracts and reproductions thereof and to destroy (or procure the destruction of) any documents or data (including, to the extent reasonably practicable, on any computer or word processor or other electronic device) prepared by it or its Representatives which contain or are based on Information, in each case subject to the requirements of applicable law, regulation or order of a court of competent jurisdiction. The Recipient agrees that any Information retained

pursuant to this paragraph will be held subject to the Recipient's obligations of confidentiality in accordance with the terms of this Letter.

**3. No Representation or Warranty**

The Recipient acknowledges and agrees that the Information does not purport to be all inclusive and that no representation or warranty (express or implied) has been made by Telford or any of its Representatives or any other person at the date hereof or will be made at a future date (other than as expressly set out in any definitive agreement between Telford and the Recipient) as to the accuracy, reliability or completeness of any of the Information supplied to the Recipient.

**4. Securities Law/Price Sensitive Information**

The Recipient recognises and accepts that some or all of the Information may be inside information and/or price sensitive information and that the provisions of applicable securities legislation may restrict or prohibit the use and/or disclosure of such information.

**5. Confidentiality Period**

The Recipient acknowledges and agrees that the obligations in this Letter are continuing and shall survive for a period of six months immediately following the last date on which Information is disclosed to the Recipient by or on behalf of the Board in connection with the Proposed Transaction.

**6. General**

- 6.1 The Recipient agrees that damages may not be an adequate remedy for any breach of this Letter and that Telford may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the terms of this Letter, in addition to all other remedies available to Telford at law and/or in equity.
- 6.2 The Information is provided to the Recipient without waiver by Telford of any confidentiality and/or legal professional privilege and/or common interest privilege which may be attached to any Information.
- 6.3 The Recipient confirms that it is acting as a principal on its own account or on behalf of its affiliates acting on their own account.
- 6.4 The Recipient cannot assign the terms of this Letter to any third party without Telford's prior written consent.
- 6.5 No failure or delay in exercising any right, power or privilege under this Letter will operate as a waiver of it, nor will any single or partial exercise of any right, power or privilege under this Letter preclude any other or further exercise of such right, power or privilege or of any other right, power or privilege under this Letter or otherwise.
- 6.6 If any provision of this Letter is held to be invalid or unenforceable, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Letter but without invalidating any of the remaining provisions.
- 6.7 The terms of this Letter may not be varied or terminated without the prior written consent of Telford and the Recipient.

- 6.8 Apart from the limited rights described in this Letter, the Recipient acknowledges that neither it nor any of its Representatives shall be entitled to any right or licence in respect of any of the Information.
- 6.9 This Letter constitutes the entire agreement, and supersedes all prior agreements and undertakings, whether oral or written, between the Parties with respect to the disclosure of any of the Information (including any prior confidentiality agreement irrespective of whether or not the provisions of such prior agreement(s) are consistent with the terms of this Letter).
- 6.10 A Person who is not a Party to this Letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any of its terms.
- 6.11 This Letter (including any non-contractual obligations arising out of or in connection with it) and any disputes or claims arising out of or in connection with its subject matter shall be governed by and construed in accordance with the laws of England and Wales. The Parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Letter.
- 6.12 This Letter may be signed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please confirm your agreement by signing and returning to us a copy of this Letter.

Yours faithfully,

**Telford Offshore Holdings Limited**

By .....

Name:

Agreed and accepted

By .....

Name:

for and on behalf of  
*[Insert name of Recipient]*

Dated: .....

**APPENDIX 3B  
EXIT NDA**

[Name and address of Shareholder] (the “**Recipient**”)

Attn: [•]

[•] 2018

Dear Sirs

**Telford Offshore Holdings Limited (“Telford”)**

Confidentiality Letter (“**Letter**”)

You, the undersigned, being a shareholder of Telford (a “**Shareholder**”) as at the date of this Letter, have expressed an interest in reviewing certain confidential information in respect of the Board’s decision not to put forward for Ordinary Majority approval an Exit proposal based on recommendations received by the Board from its CFA as to Exit opportunities (the “**Exit Decision**”), such Exit Decision having been previously notified to the Shareholders on [insert date] in accordance with article 38.6 of Telford’s articles of association (the “**Articles**”). Accordingly, Telford is prepared to disclose to you, or to arrange the disclosure to you of, certain Information (as defined below) that you have requested Telford provide to you concerning the Exit Decision in consideration of your acceptance of the following terms and conditions:

In this Letter unless a contrary indication appears, terms used in the Articles have the same meaning herein and:

“**Information**” means this Letter and all information that is supplied to the Recipient or its Representatives by, or on behalf of, Telford (a) relating to the Exit Decision; or (b) relating to the existence of discussions with respect to, and all information and materials that formed the basis of, the Exit Decision, whether orally, in writing or in any form, whether before or after the date of this Letter, including but not limited to all technical, business and/or privileged information and documents, together with all records, books of accounts, budgets, reports, forecasts, projections or other information and also includes all notes, analyses, compilations, studies, memoranda or other documents or information which contain or reflect or are generated from such information;

“**Parties**” means Telford and the Recipient, and “**Party**” means either of them;

“**Person**” means, without limitation, an individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation, or a government or agency or political subdivision thereof; and

“**Representatives**” means a Person’s officers, directors, employees and professional advisers, solely to the extent the same have been instructed or engaged and are subject to professional confidentiality requirements.

In consideration of Telford agreeing to supply Information to the Recipient, the Recipient undertakes and agrees with Telford as follows:

## 1. **Duty of Confidentiality**

- 1.1 Except as otherwise agreed to by Telford and the CFA, the Information will be used by the Recipient solely and exclusively in connection with (a) considering and evaluating the Exit Decision, and (b) exercising its rights as a Shareholder, whether under the Articles or otherwise, and in each case the Recipient shall not use, and shall procure that the Recipient's Representatives do not use, the Information for any other purpose.
- 1.2 The Recipient shall hold the Information in strict confidence and, subject to the terms hereof, will not disclose, copy, reproduce or distribute any of it or otherwise make it available to any Person other than:
- (a) to other Shareholders who have entered into confidentiality agreements with Telford substantially in the form of this Letter with respect to the disclosure of information by the Board to those Shareholders regarding the Exit Decision;
  - (b) with Telford's and the CFA's express prior written approval; and
  - (c) to the Recipient's Representatives, who need to know such information for the purposes of considering and evaluating the Exit Decision.
- 1.3 The Recipient shall ensure that each of its Representatives to whom Information is disclosed is made aware of (in advance of disclosure), and adheres to, the terms of this Letter and the Recipient shall be responsible for any breach of such terms by its Representatives.
- 1.4 The Recipient and its Representatives shall keep the Information securely and properly protected against theft, damage, loss and unauthorised access (including access by electronic means) using measures no less onerous than those used to protect the confidentiality of its own confidential information.

## 2. **Exceptions**

- 2.1 The undertakings in paragraph 1 shall not apply to Information which:
- (a) is already in the Recipient's possession on a non-confidential basis at the time it is first supplied by or on behalf of Telford to the Recipient (the "**Time of Supply**");
  - (b) at the Time of Supply, is in the public domain;
  - (c) subsequent to the Time of Supply comes into the public domain, except through breach of the undertakings set out in this Letter or through breach of any other duty of confidentiality relating to that Information of which the Recipient is aware; or
  - (d) is required to be disclosed by applicable law or regulation, or any governmental, banking, taxation or other regulatory authority, as long as and to the extent legally practicable in the circumstances the Recipient (i) promptly notifies Telford of such requirement; and (ii) consults with Telford before such disclosure on the proposed form, timing, nature and purpose of the disclosure. The Recipient must use reasonable efforts to limit such disclosure to the minimum extent necessary to comply with its disclosure obligations, and use reasonable efforts to obtain reliable assurances that confidential treatment will be afforded to the disclosed Information.

2.2 Following receipt of a request from Telford at any time, the Recipient undertakes to Telford to return to it all the Information received under the terms of this Letter without retaining any copies, extracts and reproductions thereof and to destroy (or procure the destruction of) any documents or data (including, to the extent reasonably practicable, on any computer or word processor or other electronic device) prepared by it or its Representatives which contain or are based on Information, in each case subject to the requirements of applicable law, regulation or order of a court of competent jurisdiction. The Recipient agrees that any Information retained pursuant to this paragraph will be held subject to the Recipient's obligations of confidentiality in accordance with the terms of this Letter.

3. **No Representation or Warranty**

The Recipient acknowledges and agrees that the Information does not purport to be all inclusive and that no representation or warranty (express or implied) has been made by Telford or any of its Representatives, the CFA or any other person at the date hereof or will be made at a future date (other than as expressly set out in any definitive agreement between Telford and the Recipient) as to the accuracy, reliability or completeness of any of the Information supplied to the Recipient.

4. **Securities Law/Price Sensitive Information**

The Recipient recognises and accepts that some or all of the Information may be inside information and/or price sensitive information and that the provisions of applicable securities legislation may restrict or prohibit the use and/or disclosure of such information.

5. **Confidentiality Period**

The Recipient acknowledges and agrees that the obligations in this Letter are continuing and shall survive for a period of six months immediately following the last date on which Information is disclosed to the Recipient by or on behalf of the Board in connection with the Exit Decision.

6. **General**

6.1 The Recipient agrees that damages may not be an adequate remedy for any breach of this Letter and that Telford may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the terms of this Letter, in addition to all other remedies available to Telford at law and/or in equity.

6.2 The Information is provided to the Recipient without waiver by Telford of any confidentiality and/or legal professional privilege and/or common interest privilege which may be attached to any Information.

6.3 The Recipient confirms that it is acting as a principal on its own account or on behalf of its affiliates acting on their own account.

6.4 The Recipient cannot assign the terms of this Letter to any third party without Telford's prior written consent.

6.5 No failure or delay in exercising any right, power or privilege under this Letter will operate as a waiver of it, nor will any single or partial exercise of any right, power or privilege under this Letter preclude any other or further exercise of such right, power or privilege or of any other right, power or privilege under this Letter or otherwise.

- 6.6 If any provision of this Letter is held to be invalid or unenforceable, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Letter but without invalidating any of the remaining provisions.
- 6.7 The terms of this Letter may not be varied or terminated without the prior written consent of Telford and the Recipient.
- 6.8 Apart from the limited rights described in this Letter, the Recipient acknowledges that neither it nor any of its Representatives shall be entitled to any right or licence in respect of any of the Information.
- 6.9 This Letter constitutes the entire agreement, and supersedes all prior agreements and undertakings, whether oral or written, between the Parties with respect to the disclosure of any of the Information (including any prior confidentiality agreement irrespective of whether or not the provisions of such prior agreement(s) are consistent with the terms of this Letter).
- 6.10 The CFA shall have the right to enforce and enjoy the terms of this Letter. Other than the CFA, a Person who is not a Party to this Letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any of its terms.
- 6.11 This Letter (including any non-contractual obligations arising out of or in connection with it) and any disputes or claims arising out of or in connection with its subject matter shall be governed by and construed in accordance with the laws of England and Wales. The Parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Letter.
- 6.12 This Letter may be signed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please confirm your agreement by signing and returning to us a copy of this Letter.

Yours faithfully,

**Telford Offshore Holdings Limited**

By .....  
Name:

Agreed and accepted

By .....  
Name:

for and on behalf of  
***[Insert name of Recipient]***

Dated: .....

**SCHEDULE 4**

***TOL Bond Agreement***

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

**BOND AGREEMENT**

between

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

and

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

and

Nordic Trustee AS  
("Bond Trustee")  
on behalf of  
the Bondholders

in the bond issue of

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

and

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

DATED 06 FEBRUARY 2018

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

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

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**1. MAIN TERMS OF THE BONDS**

**1.1. Tranche A Bonds**

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

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

Convention	calculation period in respect of which payment is being made divided by 360 days with 30-day months (unless (i) the last day of the calculation period is the 31 <sup>st</sup> day of a month but the first day of the calculation period is a day other than the 30 <sup>th</sup> or 31 <sup>st</sup> day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the calculation period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).
Tranche A Bonds Business Day Convention	No adjustment.
Tranche A Bonds Listing	NA.
Tranche A Bonds Special Conditions	See Clause 3 ( <i>Special terms of the Bonds</i> ) of this Bond Agreement.

**1.2. Tranche B Bonds**

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

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	Bonds Issue Date to, but not including, the date falling 48 months after the Tranche B Bonds Issue Date.	Tranche B Bonds Interest Rate (accrued but unpaid) on a <i>pro rata</i> basis.
	From the date falling 48 months after the Tranche B Bonds Issue Date to, but not including, the Tranche B Bonds Maturity Date.	100 per cent. of Nominal Amount + Tranche B Bonds Interest Rate (accrued but unpaid) on a <i>pro rata</i> basis.
Tranche B Bonds Interest Payment Date	23 March, 23 June, 23 September and 23 December of each year and the Tranche B Bonds Maturity Date, with the first Tranche B Bonds Interest Payment Date following the Tranche B Bonds Issue Date being 23 March 2018.	
Tranche B Bonds Interest Rate	<p>Subject to the below, on each Tranche B Bonds Interest Payment Date, at the option of the Issuer (as notified to the Bond Trustee in accordance with Clause 4.9.4 (<i>Interest Rate calculation and fixing</i>), the Tranche B Bonds Interest Rate shall be:</p> <p>(a) 1 per cent. per annum in cash plus the applicable Tranche B Bonds PIK Rate (“<b>Option 1</b>”); or</p> <p>(b) 10 per cent. interest per annum in cash (“<b>Option 2</b>”); or</p> <p>(c) 4 per cent. per annum in cash plus the applicable Tranche B Bonds PIK Rate (“<b>Option 3</b>”, and together with Option 1 and Option 2, the “<b>Options</b>”),</p> <p>provided however, that (w) subject to clause (x) below, Option 1 shall only be available to the Issuer with respect to any Interest Period ending on or before 23 December 2018, (x) during the period in which any Event of Default is continuing under Clause 5.1.1 (<i>Non-payment</i>), Option 1 shall automatically apply and the Issuer shall not be entitled to select any other available Option; (y) in respect of any Interest Period ending on the Tranche B Bonds Maturity Date, Option 3 shall apply and the Issuer shall not be entitled to select any other available Option, and (z) for the first Tranche B Bonds Interest Payment Date following the Tranche B Bonds Issue Date, Option 1 shall apply.</p>	
Tranche B Bonds PIK Rate	<p>Means:</p> <p>(a) in the event that Option 1 set out in the definition of the Tranche B Bonds Interest Rate applies, 13 per cent. per annum; and</p> <p>(b) in the event that Option 3 set out in the definition of the Tranche B Bonds Interest Rate applies, 8 per cent. per annum.</p>	

	<p>The Tranche B Bonds PIK interest payments shall be payable in kind and made in arrear on each Tranche B Bonds Interest Payment Date, the first Tranche B Bonds Interest Payment Date being 23 March 2018, by the issue of additional Tranche B Bonds by the Issuer to the Tranche B Bondholders on a pro rata basis, equivalent in amount to the interest which has accrued on the Tranche B Outstanding Bonds at the Tranche B Bonds PIK Rate since the last Tranche B Bonds Interest Payment Date (or, in the case of interest accrued to the first Tranche B Bonds Interest Payment Date, since the Tranche B Bonds Issue Date). For the avoidance of doubt, the issue of additional Tranche B Bonds in payment of interest accrued at the Tranche B Bonds PIK Rate shall be taken into account for the purposes of calculating both the amount of Tranche B Outstanding Bonds and the amount of interest accrued at the Tranche B Bonds Interest Rate that is payable on the Tranche B Outstanding Bonds on each following Tranche B Bonds Interest Payment Date.</p>
Tranche B Bonds Day Count Convention	<p>30/360, which means that the number of days in the calculation period in respect of which payment is being made divided by 360 days with 30-day months (unless (i) the last day of the calculation period is the 31<sup>st</sup> day of a month but the first day of the calculation period is a day other than the 30<sup>th</sup> or 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the calculation period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).</p>
Tranche B Bonds Business Day Convention	<p>No adjustment.</p>
Tranche B Bonds Listing	<p>NA.</p>
Tranche B Bonds Special Conditions	<p>See Clause 3 (<i>Special terms of the Bonds</i>) of this Bond Agreement.</p>

**2. INTERPRETATION**

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

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

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

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

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

	<p>(b) Telford 28 Limited;</p> <p>(c) Telford 31 Limited;</p> <p>(d) Telford 34 Limited, and</p> <p>(e) if the Jascon 30 is acquired at any time after the Issue Date, the Group Company which owns the Jascon 30.</p>
Distress Event	<p>Means, for the purposes of the Intercreditor Principles, any of:</p> <p>(a) an Acceleration Event; or</p> <p>(b) the enforcement of any Security Interest.</p>
Distressed Disposal	<p>Means, for the purposes of the Intercreditor Principles, a disposal of an asset of a Group Company which is:</p> <p>(a) being effected at the request of the Instructing Group in circumstances where the Security Interests have become enforceable;</p> <p>(b) being effected by enforcement of the Security Interests; or</p> <p>(c) being effected, after the occurrence of a Distress Event, by a Group Company to a person or persons which is, or are, not a member, or members, of the Group.</p>
Distribution	<p>Has the meaning given to it in Clause 4.3.2 (<i>Restriction on distributions</i>) of this Bond Agreement.</p>
DP3 Vessels	<p>Means each of the:</p> <p>(a) Jascon 25;</p> <p>(b) Jascon 28;</p> <p>(c) Jascon 31;</p> <p>(d) Jascon 34; and</p> <p>(e) in the event that it is acquired by any Group Company at a later date, the Jascon 30.</p>
Enforcement Action	<p>Means:</p> <p>(a) the making of any demand against any Obligor in relation to any Financial Support; or</p> <p>(b) the taking of any steps to enforce or require the enforcement of any Security Interests (including the crystallisation of any floating charge forming part of the Security Interests).</p>
Enforcement Instructions	<p>Means, for the purposes of the Intercreditor Principles, instructions as to enforcement of the Security Interests (including the manner and timing of such enforcement).</p>
Equity	<p>Means 100% of the issued share capital of the Issuer.</p>
Event of Default	<p>Means any of the events or circumstances specified in Clause 5.1 (<i>Events of Default</i>).</p>
Exchange	<p>Has the meaning given to it in Clause 1 (<i>Main Terms of the Bonds</i>), of this Bond Agreement, setting out the exchange or other recognised marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If "NO" is specified in the "Listing" section of</p>

	Clause 1 ( <i>Main Terms of the Bonds</i> ) of this Bond Agreement, the terms of this Bond Agreement covering Exchange do not apply.
Exempt Company	Means each of Jascon 18 Limited, Offcon Ghana Limited and Sea Trucks Group (Angola) Lda.
Existing Bond Agreement	Means the bond agreement dated 25 March 2013, as amended and restated from time to time, entered into between the Existing Bond Issuer and the Existing Bond Trustee, pursuant to which the Existing Bonds were issued.
Existing Bond Issuer	Means Sea Trucks Group Limited (in liquidation).
Existing Bond Trustee	Means Nordic Trustee AS for itself and on behalf of the Existing Bondholders.
Existing Bondholders	Means the holders of the Existing Bonds from time to time, such person being, on the Issue Date, the Issuer.
Existing Bonds	Means the bonds issued by the Existing Bond Issuer under the Existing Bond Agreement.
Existing Bonds Subordination Agreement	Means the agreement entered into on or about the Issue Date between the Existing Bonds Trustee, the Bond Trustee and the Issuer.
Existing Group	Existing Group means the Existing Bond Issuer and its direct and indirect Subsidiaries from time to time.
Fairness Opinion	Means, for the purposes of the Intercreditor Principles, in respect of any enforcement of the Security Interests, an opinion from a Financial Adviser that the proceeds received or recovered in connection with that enforcement of the Security Interests (or expected to be received or recovered) are fair from a financial point of view taking into account all relevant circumstances and maximise, to the extent consistent with a prompt and expeditious realisation of value, the value realised from that enforcement of the Security Interests.
Finance Documents	Means: <ul style="list-style-type: none"> <li>(a) this Bond Agreement;</li> <li>(b) the Bond Trustee Fee Agreement;</li> <li>(c) the Security Documents (including any notices, acknowledgements and other ancillary documentation relating thereto);</li> <li>(d) any other document executed in relation to the granting of any Security to the Security Agent under the Finance Documents;</li> <li>(e) the Existing Bonds Subordination Agreement;</li> <li>(f) any Intercreditor Agreement;</li> <li>(g) the Security Trust Deed; and</li> <li>(h) any document (whether creating a Security Interest or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under this Bond Agreement and which is agreed by the Issuer and the Bond Trustee to be a Finance Document.</li> </ul>
Financial Adviser	Means, for the purposes of the Intercreditor Principles, any:

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

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

	understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).
Instructing Group	<p>Means, for the purposes of the Intercreditor Principles:</p> <p>(a) prior to the expiration of any Tranche B Bondholders Enforcement Period, the Bond Trustee (acting on the instructions of the Tranche B Bondholders in accordance with the Bond Agreement);</p> <p>(b) upon the expiration of any Tranche B Bondholders Enforcement Period until the expiration of any Majority Secured Creditors Enforcement Period (but only for so long as the relevant Event of Default under and as defined in any Credit Facility Agreement and/or in respect of the Bond Agreement (as applicable) is continuing), the Majority Secured Creditors; and</p> <p>(c) upon the expiration of any Majority Secured Creditors Enforcement Period (but only for so long as the relevant Event of Default under and as defined in any Credit Facility Agreement and/or in respect of the Bond Agreement (as applicable) is continuing), the Majority Senior and Super Senior Creditors or such other constituency of the Senior Creditors as may be agreed by a simple majority of the Tranche A Bondholders in accordance with Clause 4.9.14 (b) (<i>Intercreditor Agreement</i>) of this Bond Agreement prior to execution of the relevant Intercreditor Agreement,</p> <p>subject always to the Restriction on Enforcement provisions summarised in the Intercreditor Principles.</p>
Intercreditor Agreement	Means an Intercreditor Agreement to be entered into between the Credit Facility Agent(s), the Credit Facility Provider(s), the Bond Trustee (for and on behalf of the Bondholders) and the Security Agent which incorporates the Intercreditor Principles but is otherwise in a form and substance satisfactory to the Credit Facility Agent(s), the Credit Facility Provider(s), the Bond Trustee and the Security Agent.
Intercreditor Principles	Means the Intercreditor Principles set out in Schedule 3 ( <i>Intercreditor Principles</i> ) of this Bond Agreement.
Interest Payment Date	<p>Means:</p> <p>(a) in respect of the Tranche A Bonds, each Tranche A Bonds Interest Payment Date set out in Clause 1.1 (<i>Tranche A Bonds</i>) of this Bond Agreement; and</p> <p>(b) in respect of the Tranche B Bonds, each Tranche B Bonds Interest Payment Date set out in Clause 1.2 (<i>Tranche B Bonds</i>) of this Bond Agreement.</p>
Interest Period	<p>Means:</p> <p>(a) in respect of the Tranche A Bonds, the period from and including the last Tranche A Bonds Interest Payment Date to but excluding the next Tranche A Bonds Interest Payment Date, with the exception that:</p> <p>(i) the first Interest Period in respect of the Tranche A1 Bonds shall commence on and include 5 February 2018 and end on and exclude 23 March 2018; and</p>

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

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

Senior Creditors	Creditors and the Super Senior Creditors (if any) representing more than 50 (fifty) per cent. of the aggregate Principal Amount Outstanding of the sum of the Senior Liabilities and the Super Senior Liabilities.
Management Services Agreement	Means the agreement between the Issuer and the Existing Bond Issuer dated on or about the Issue Date, in respect of, among other things, the on-going operation of the Existing Bond Issuer.
Mandatory Prepayment Event	Means any sale of (i) (directly or indirectly) any of the shares in any Group Company, or (ii) a Vessel.
Market Value	Means the fair market value of a Vessel in USD determined as the independent valuation of such Vessel, on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and willing buyer, on an "as is where is" basis, free of any existing charters or other contracts for employment, obtained from an independent and well-reputed sale and purchase broker familiar with the market for such Vessel, appointed by the Issuer and approved by the Bond Trustee.
Material Adverse Effect	Means an event or circumstance which has material adverse effect on: (a) the business, financial condition or operations of the Group (taken as a whole), (b) the Issuer's or any Guarantor's ability to perform and comply with its obligations under any of the Finance Documents, or (c) the validity or enforceability of any of the Finance Documents.
Material Contract	Means any contract or other arrangement under which a Group Company incurs gross payment obligations excess of USD 15,000,000 or which generates USD 5,000,000 or more in revenue.
Maturity Date	Means the Tranche A Bonds Maturity Date or the Tranche B Bonds Maturity Date, or both, as the context requires.
NA	Means that the provision to which NA is designated is not applicable to this Bond Agreement.
New Earnings Account	Has the meaning given to that term in Clause 4.2.13 ( <i>The accounts</i> ) of this Bond Agreement.
Nominal Amount	Means, at any time: <ul style="list-style-type: none"> <li>(a) in respect of the Tranche A Bonds, the Tranche A Bonds Initial Bond Issue plus any additional Tranche A Bonds that have been issued at that time as a result of the accrual of the Tranche A Bonds PIK Rate less the aggregate amount by which the Tranche A Bonds have at that time been partially redeemed pursuant to Clause 4.9 (<i>Payments in respect of the Bonds</i>) of this Bond Agreement; and</li> <li>(b) in respect of the Tranche B Bonds, the Tranche B Bonds Initial Bond Issue plus any additional Tranche B Bonds that have been issued at that time as a result of the accrual of the Tranche B Bonds PIK Rate less the aggregate amount by which the Tranche B Bonds have been at that time partially redeemed pursuant to Clause 4.9 (<i>Payments in respect of the Bonds</i>) of this Bond Agreement.</li> </ul>
Non-Cash Consideration	Means, for the purposes of the Intercreditor Principles, consideration in a form other than cash.
Non-Sensitive Information	Has the meaning given to that term in Clause 4.6.1 ( <i>Information</i>

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

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

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

	receiver and manager or administrative receiver of the whole or any part of the Security Interests.
Redemption Price	Means: <ul style="list-style-type: none"> <li>(a) in respect of the Tranche A Bonds, the Tranche A Bonds Redemption Price set out in Clause 1.1 (<i>Tranche A Bonds</i>); and</li> <li>(b) in respect of the Tranche B Bonds, the Tranche B Bonds Redemption Price set out in Clause 1.2 (<i>Tranche B Bonds</i>).</li> </ul>
Refinancing Facility	Means either the Initial Refinancing Facility or a Subsequent Refinancing Facility, as the case may be.
Relevant Record Date	Means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows: <ul style="list-style-type: none"> <li>(a) in relation to payments pursuant to this Bond Agreement, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;</li> <li>(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</li> <li>(c) for the purpose of casting a vote in a Written Resolution: <ul style="list-style-type: none"> <li>(i) the date falling three (3) Business Days after the Summons have been published; or</li> <li>(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.</li> </ul> </li> </ul>
Repayment Date	Means any date for payment of instalments, payment of any Call or the Maturity Date, or any other days of repayments of Bonds.
Restricted Cash	Means: <ul style="list-style-type: none"> <li>(a) any cash which is held by a bank in circumstances where the repayment to the Group of such cash is contingent on the prior discharge of any other Financial Indebtedness of any Group Company or of any other person whatsoever or on the satisfaction of any other condition;</li> <li>(b) any cash which is subject to Security other than (i) a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements, or (ii) the Security Interests'; and</li> <li>(c) any Blocked Cash,</li> </ul> <p>provided that, for the avoidance of doubt and in each case, any cash held from time to time in the Retention Account shall not be Restricted Cash.</p>
Restructuring Implementation Deed	Means the deed entered into on or about the Signing Date between, amongst others, the Existing Bond Issuer, the Liquidity Bond Issuer, and the Issuer in relation to the implementation of a restructuring of the

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

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

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

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

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

Date	this Bond Agreement, the Tranche A Bonds Maturity Date.
Tranche A1 Bonds Maturity Extension	Has the meaning given to it in the definition of “Tranche A1 Bondholders' Entrenched Right Matters” in this Bond Agreement.
Tranche A1 Outstanding Bonds	Means any Tranche A1 Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche A1 Voting Bonds	Means the Tranche A1 Outstanding Bonds less the Issuer’s Bonds which are Tranche A1 Bonds.
Tranche A2 Bondholders Investment Amount	Means an amount equal to the aggregate Tranche A Bonds Issue Price (as defined in Clause 1.1 ( <i>Tranche A Bonds</i> ) of this Bond Agreement) (expressed in USD) paid by all Tranche A2 Bondholders to the Issuer for the subscription of the Tranche A2 Bonds on the Tranche A Bonds Issue Date.
Tranche A2 Bonds	Means the Tranche A Bonds issued on the Issue Date which has been allocated ISIN NO0010814643.
Tranche A2 Bonds Maturity Date	Means the maturity date of the Tranche A2 Bonds being, as at the date of this Bond Agreement, the Tranche A Bonds Maturity Date.
Tranche A2 Bonds Maturity Extension	Has the meaning given to it in the definition of “Tranche A2 Bondholders' Entrenched Right Matters” in this Bond Agreement.
Tranche A2 Outstanding Bonds	Means any Tranche A2 Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche A2 Voting Bonds	Means the Tranche A2 Outstanding Bonds less the Issuer’s Bonds which are Tranche A2 Bonds.
Tranche B Bondholder Representative	Means, for the purposes of the Ongoing Funding Agreement, a representative of the Tranche B Bondholders, appointed from time to time in accordance with Clause 7.11 ( <i>Tranche B Bondholder Representative</i> ) of this Bond Agreement.
Tranche B Bondholders Enforcement Period	Means: <ul style="list-style-type: none"> <li>(a) in the case of a payment default with respect to the Tranche A Bonds which is continuing, a period of ninety (90) days from and including the Business Day immediately following the date on which the relevant Event of Default occurred; or</li> <li>(b) in the case of any default which is continuing other than a payment default with respect to the Tranche A Bonds, a period of one hundred and twenty (120) days from and including the Business Day immediately following the date on which the relevant Event of Default occurred.</li> </ul>
Tranche B Bondholders' Entrenched Right Matter Resolution	Has the meaning given to it in Clause 7.5 ( <i>Tranche B Bondholders' Entrenched Right Matters</i> ) of this Bond Agreement.
Tranche B Bondholders' Entrenched Right Matters	Means such matters, events and/or circumstances (as applicable) which: <ul style="list-style-type: none"> <li>(a) would result in the aggregate principal amount of the Tranche A Bonds (other than any additional Tranche A Bonds that are issued as a result of the accrual of the Tranche A Bonds PIK Rate) exceeding the amount of the Tranche A Bonds Initial Bond Issue;</li> <li>(b) would constitute an increase, by reference to the position as at the</li> </ul>

	<p>Issue Date, in the amount of interest, or the basis of accrual of additional interest, fees or commission relating to the Tranche A Bonds;</p> <p>(c) would, by reference to the position as at the Issue Date, render the Issuer liable for additional or increased payments with respect to the Tranche A Bonds (other than as a result of a Tranche A1 Bonds Maturity Extension and/or a Tranche A2 Bonds Maturity Extension); or</p> <p>(d) would change or would have the effect of changing the definition or use of Tranche B Bondholders' Entrenched Right Matters.</p>
Tranche B Bondholders Acceleration Instruction	Has the meaning given to it in Clause 5.3.1 ( <i>Acceleration instructions</i> ) of this Bond Agreement.
Tranche B Bondholders Enforcement Instruction	Has the meaning given to it in Clause 5.3.2 ( <i>Enforcement instructions</i> ) of this Bond Agreement.
Tranche B Bonds	Means the Tranche B Bonds issued on the Issue Date which have been allocated ISIN NO001 _____
Tranche B Bonds Call Price	Has the meaning given to it in Clause 1.2 ( <i>Tranche B Bonds</i> ) of this Bond Agreement.
Tranche B Bonds Interest Rate Election Certificate	Means the certificate to be delivered by the Issuer to the Bond Trustee from time to time in accordance with Clause 4.9.4 of this Bond Agreement and substantially in the form set out in Schedule 7 of this Bond Agreement.
Tranche B Bonds Maturity Date	Has the meaning given to it in Clause 1.2 ( <i>Tranche B Bonds</i> ) of this Bond Agreement.
Tranche B Outstanding Bonds	Means any Tranche B Bonds issued in accordance with this Bond Agreement to the extent not redeemed or otherwise discharged.
Tranche B Voting Bonds	Means the Tranche B Outstanding Bonds less the Issuer's Bonds which are Tranche B Bonds.
Unsecured Facility	Means any facility or agreement entered into by a Group Company after the date of this Bond Agreement on an unsecured basis for the purposes of issuing any standby or documentary letters of credit, performance bonds or guarantees.
US Securities Act	Means the U.S. Securities Act of 1933, as amended.
USD	Means US Dollars, being the legal currency of the United States of America.
Vessel	Means each DP3 Vessel and any other vessel acquired by a Shipowning Subsidiary from time to time.
Vessel Mortgage	Means a first priority ship mortgage over a Vessel (and where local law requires a statutory vessel mortgage, a deed of covenants collateral to the vessel mortgage and to the security thereby created between the applicable Shipowning Subsidiary and the Security Agent).
Voting Bonds	Means each of the Tranche A Voting Bonds or the Tranche B Voting Bonds (or both, as the context requires).
Written Resolution	Means a written (or electronic) solution for decision making among the Bondholders, as set out in Clause 7.9 ( <i>Written Resolutions</i> ) of this Bond

	Agreement.
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## 2.1. Construction

2.1.1. In this Bond Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;
- (e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) an Event of Default is “continuing” if it has not been remedied or waived; and
- (g) references to a “person” shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

## 3. SPECIAL TERMS OF THE BONDS

### 3.1. Use of proceeds

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

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

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

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

### **3.2. Status**

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

- (a) the Tranche A Bonds shall constitute senior secured debt liabilities of the Issuer and shall rank: (a) junior to any indebtedness outstanding under any Super Senior Bonding Facility, (b) *pari passu* between themselves and all indebtedness outstanding under any Credit Facility that is not a Super Senior Bonding Facility, and (c) senior to the Tranche B Bonds and (d) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application);
- (b) the Tranche B Bonds shall constitute senior secured debt liabilities of the Issuer and shall rank: (a) junior to the Tranche A Bonds and all indebtedness outstanding under each Credit Facility, (b) *pari passu* between themselves; and (c) (to the extent not covered by the proceeds realised from the enforcement of the Security constituted by the Security Documents) at least *pari passu* with all other indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and
- (c) each Obligor's payment obligations under this Bond Agreement shall rank ahead of all payment obligations of that Obligor which are contractually subordinated, or subordinated by operation of law to the payment of either the Bonds or to all general payment obligations of that Obligor.

3.2.2. If the Bond Trustee and the Issuer have at any time entered into an Intercreditor Agreement with, amongst others, a Credit Facility Provider, in the event of there being any conflict between this Clause 3.2 (*Status*) of this Bond Agreement and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail.

### **3.3. Security**

3.3.1. The Bonds, including accrued but unpaid interest, costs and expenses, shall be secured by the Security Interests and shall be guaranteed by the Guarantors pursuant to the Guarantees.

3.3.2. Notwithstanding the foregoing, but subject always to Clause 4.9.13 (*Priority of Payments*) of this Bond Agreement, the Security Interests shall secure the Bonds in the following order of priority:

- (a) *first*, the Tranche A Bonds and all indebtedness outstanding under each Credit Facility (if applicable) (on a *pari passu* basis); and
- (b) *second*, the Tranche B Bonds (on a *pari passu* basis).

3.3.3. If required by any Group customer under any employment contract involving a Vessel or any of such customer's creditors, the Bond Trustee (on behalf of the Tranche A Bondholders and the Tranche B Bondholders) shall, to ensure the undisturbed use of the relevant Vessel(s), enter into a Quiet Enjoyment Letter in respect of the relevant Vessel(s) containing, without limitation, the

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

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

**3.4. Purchase and transfer of Bonds**

- 3.4.1. Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, or its place(s) for doing business). Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.
- 3.4.2. Notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under this Bond Agreement.

**4. GENERAL TERMS OF THE BONDS**

**4.1. Representations and warranties**

4.1.1. General

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

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

4.1.2. Information

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

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

4.1.3. Requirements

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

4.1.4. No Event of Default

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

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

4.1.5. Status

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

4.1.6. Valid, binding and enforceable obligations

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

4.1.7. Non-conflict with other obligations

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

4.1.8. Authorizations and consents

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

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

4.1.9. Litigation

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

4.1.10. No withholdings

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

4.1.11. Ranking of the Bonds

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

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

#### 4.1.12. Security

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

#### 4.1.13. Confirmation

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

### **4.2. General covenants**

#### 4.2.1. Ranking of the Bonds

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

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

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

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

4.2.2. Mergers

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

4.2.3. De-mergers

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

4.2.4. Continuation of business – all Group Companies

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

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

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

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

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

4.2.6. Capex restrictions

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

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

4.2.7. Material disposals

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

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

4.2.8. Arm's length transactions

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

4.2.9. Corporate status

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

4.2.10. Financial Year-end

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

4.2.11. Compliance with laws

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

4.2.12. Financial Support restrictions

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

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

4.2.13. The accounts

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

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

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

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

4.2.15. *Jascon 30 Security*

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

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

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

4.2.16. *Security for vessel acquisitions*

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

4.2.17. *Post-Issue Date Undertakings*

The Issuer and the Parent undertake that:

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

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

### **4.3. Special covenants**

#### **4.3.1. Negative pledge**

The Issuer and the Parent shall not, and shall each ensure that no other Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance over any of its present or future respective assets or its revenues or deposit cash collateral, other than:

- (a) the encumbrances granted to secure the Bond Issue;
- (b) the first priority Gibraltar law governed Vessel Mortgages granted in favour of the Existing Bond Trustee granted to secure the Existing Bonds subject to any changes to the Existing Bonds Subordination Agreement;
- (c) encumbrances granted to secure any Credit Facility in accordance with the terms of the Bond Agreement (including the Intercreditor Principles);
- (d) any lien arising by operation of law;
- (e) any lien, netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangements; and
- (f) as arises under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company.

#### **4.3.2. Restriction on distributions**

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

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

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

(in each case, a “**Distribution**”).

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

#### 4.3.3. Financial Indebtedness restrictions

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

#### 4.3.4. Restrictions on Existing Bonds

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

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

#### 4.3.5. The Retention Account

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

#### 4.3.6. Restriction on hedging

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

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

4.3.7. Compliance with Existing Bonds Subordination Agreement

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

4.3.8. Ongoing Funding Agreement Termination Notice

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

4.3.9. The Blocked Cash Account

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

**4.4. Financial covenants**

4.4.1. Minimum Liquidity

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

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

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

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

#### 4.5. Vessel covenants

##### 4.5.1. Vessel Insurances

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

##### 4.5.2. Title

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

##### 4.5.3. Maintenance of class

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

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

##### 4.5.4. Secondary flagging

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

4.5.5. Maintenance of name

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

4.5.6. Condition

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

4.5.7. Operations in accordance with laws etc.

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

4.5.8. Bareboat Arrangements

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

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

**4.6. Information covenants**

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

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

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

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

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

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

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

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

#### **4.8. Listing**

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

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

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

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

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

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

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

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

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

4.9.4. Interest Rate calculation and fixing

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

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

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

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

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

4.9.6. Exercise of Call

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

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

#### 4.9.7. Mandatory Prepayment

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

#### 4.9.8. Total Loss Event

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

#### 4.9.9. Change of Control

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

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

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

#### 4.9.10. Cash sweep

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

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

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

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

4.9.12. Maturity of the Tranche B Bonds and redemption

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

4.9.13. Priority of Payments

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

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

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

#### 4.9.14. Intercreditor Agreement

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

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

**4.9.15. Blocked Cash Account**

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

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

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

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

**4.11. Parent covenant**

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

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

**5.1. Events of Default**

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

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

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

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

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

5.1.6. *Insolvency*:

- (a) A Group Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared by a competent court in respect of any indebtedness of any Group Company.

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

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

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

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

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

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

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

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

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

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

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

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

### **5.3.1. Acceleration instructions**

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

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

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

5.3.2. Enforcement instructions

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

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

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

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

5.3.3. Enforcement periods

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

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

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

## **6. THE BONDHOLDERS**

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

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by this Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.
- (b) This Bond Agreement shall be publicly available from the Bond Trustee or the Issuer.
- (c) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

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

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

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

**6.3. Bondholders' rights**

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

**7. BONDHOLDERS' DECISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, in accordance with Clause 6.3 (*Bondholders' rights*) of this Bond Agreement. The Chairman may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairman shall determine any question concerning whether any Bonds will be considered to be Issuer's Bonds.
- (c) For the purposes of this Clause 7 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 6.3 (*Bondholders' rights*) of this Bond Agreement, be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders' rights*) of this Bond Agreement stating that it is the owner of the Bonds voted for. If the Bondholder has voted

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

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

#### 7.8. Repeated Bondholders' Meeting

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

#### 7.9. Written Resolutions

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

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

#### **7.10. Tranche A Bondholder Representative**

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

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

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

**7.11. Tranche B Bondholder Representative**

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

**7.12. Ongoing Funding Agreement Termination Notice**

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

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

**8. THE BOND TRUSTEE**

**8.1. Power to represent the Bondholders**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 9. OTHER PROVISIONS

### 9.1. Amendments and waivers

#### 9.1.1. Procedure for amendments and waivers

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

#### 9.1.2. Issuer Amendment

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

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

#### 9.1.3. Authority with respect to documentation

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

#### 9.1.4. Notification of amendments or waivers

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

### 9.2. Purchase of Bonds by the Group

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

### 9.3. Defeasance

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

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

(c) any guarantor may be released of its guarantee obligations pursuant to the Bond Agreement. The Bond Trustee may require such further conditions, statements and legal opinions before the defeasance arrangements are implemented as the Bond Trustee may reasonably require.

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

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

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

#### **9.4. Expenses**

- (a) The Issuer shall cover all its own expenses in connection with this Bond Agreement and the fulfilment of its obligations hereunder, including the preparation of this Bond Agreement, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the CSD.
- (b) Any public fees payable in connection with this Bond Agreement and fulfilling of the obligations pursuant it shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- (c) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

#### **9.5. Notices**

- (a) Written notices, warnings, summons etc. to the Bondholders made by the Bond Trustee shall be sent via the CSD with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published on the web site [www.stamdata.no](http://www.stamdata.no).
- (b) The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the CSD with a copy to the Bond Trustee and the Exchange.
- (c) Information (other than Non-Sensitive Information) required to be provided solely to the Bond Trustee pursuant to this Bond Agreement shall neither (1) be published on [www.stamdata.no](http://www.stamdata.no), any website operated by the Bond Trustee or any other public website nor (2) otherwise be made public (by way of press release or otherwise), in each case by the Bond Trustee, unless:
  - (i) an Event of Default has occurred and is continuing;
  - (ii) the Issuer provides its prior consent; or
  - (iii) the Bond Trustee determines, in its sole discretion, that a failure to disclose such information to the Bondholders may prejudice the interests of the Bondholders provided that no such disclosure may be made by the Bond Trustee pursuant to this subparagraph (iii) unless the Bond Trustee has first informed the Issuer of the intended disclosure and given the Issuer at least 1 Business Day to consult with the Bond Trustee in respect of the intended disclosure.
- (d) For the avoidance of doubt, no Ongoing Funding Agreement Information may be disclosed pursuant to this Clause 9.5 (*Notices*).

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

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

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

If to the Issuer or the Parent:

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

with a copy to

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

If to the Bond Trustee:

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

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

**9.7. Governing law**

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

**9.8. Jurisdiction**

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

- (b) Paragraph (a) above has been agreed for the benefit of the Bond Trustee and the Bondholders only. The Bond Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may also take concurrent proceedings in any number of jurisdictions. Accordingly, it is agreed that the Oslo district court (*Oslo Tingrett*) has non-exclusive jurisdiction to settle any Dispute.

\*\*\*

**SIGNATURES:**

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

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

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

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

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

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

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

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

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

Yours faithfully,

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

**Telford Offshore Limited**

Enclosure: [*copy of any written documentation*]

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

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

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

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

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

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

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

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

Yours faithfully,

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

**Telford Offshore Limited**

Enclosure: [*copy of any written documentation*]

**SCHEDULE 3  
INTERCREDITOR PRINCIPLES**

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

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

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

	<p>Bond Agreement) during the Tranche B Bondholders Enforcement Period, then the consideration payable in connection with any such Distressed Disposal must either:</p> <ul style="list-style-type: none"> <li>(i) be payable solely in cash; or</li> <li>(ii) result in the Security Agent receiving cash proceeds in an aggregate amount which is at least sufficient to discharge the Senior Liabilities and the Super Senior Liabilities (if any) in full.</li> </ul>
Turnover	<p>Any amounts received by the Bond Trustee or the Credit Facility Provider(s) that are not permitted payments (as that term will be defined in the Intercreditor Agreement) or otherwise permitted in accordance with the terms of the Intercreditor Agreement shall be (i) held on trust for the Security Agent and (ii) paid or distributed promptly to the Security Agent, in each case, for application in accordance with the terms of the Intercreditor Agreement.</p>
Application of Proceeds	<p>Subject to the Prospective Super Senior Liabilities and Senior Liabilities provisions below, the proceeds of enforcement and all other amounts paid to the Security Agent under the Intercreditor Agreement or any of the Security Documents (post enforcement) (the “<b>Recoveries</b>”) shall be applied in the following order of priority:</p> <ul style="list-style-type: none"> <li>(a) <b>first</b>, <i>pro rata</i> and <i>pari passu</i>, according to the respective amounts thereof in or towards satisfaction of the costs, fees, expenses and any other amounts (including by way of indemnities) to: <ul style="list-style-type: none"> <li>(i) the Bond Trustee under any Finance Document; and</li> <li>(ii) the Security Agent; and</li> <li>(iii) each Credit Facility Agent;</li> </ul> </li> <li>(b) <b>second</b>, in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under a Super Senior Bonding Facility <i>pro rata</i> without any preference or priority of any kind;</li> <li>(c) <b>third</b>, <i>pro rata</i> and <i>pari passu</i>, according to the respective amounts thereof in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under: <ul style="list-style-type: none"> <li>(i) any Tranche A Bonds or Refinancing Facility, <i>pro rata</i> without any preference or priority of any kind; and</li> <li>(ii) each Senior Bonding Facility, <i>pro rata</i> without any preference or priority of any kind;</li> </ul> </li> <li>(d) <b>fourth</b>, in or towards satisfaction of all amounts of interest, principal and redemption premium due or overdue and all other amounts outstanding under any Tranche B Bonds <i>pro rata</i> without any preference or priority of any kind;</li> <li>(e) <b>fifth</b>, in or towards satisfaction of all other amounts payable under the Finance Documents; and</li> <li>(f) <b>sixth</b>, any surplus shall be available to each Group Company</li> </ul>

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

**DOCUMENT 1  
EXECUTION VERSION**

	Facility Agent.
Governing Law	English

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

**PART I – SENIOR BONDING FACILITY TERMS**

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

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

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

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

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

[INSERT CALCULATIONS]

Yours faithfully,

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

**Telford Offshore Limited**

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

Enclosure: [*copy of any written documentation*]

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

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

Email: kuo@dnb.no

With a copy to:

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

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[date]

Dear Sirs,

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

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

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

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

Yours faithfully,

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

**Telford Offshore Limited**

Enclosure: [copy of any written documentation]