

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

**To the bondholders in:**

**ISIN: NO 001 074424.6 - 12 per cent. NSA Bondco Limited Secured Callable Bond Issue 2015/2020**

Oslo, 18 October 2017

## **NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTIONS – WAIVER REQUEST AND PROPOSAL TO AMEND THE BOND AGREEMENT**

Nordic Trustee AS (the "**Bond Trustee**") acts as bond trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bond Issue**") with NSA Bondco Limited as issuer (the "**Issuer**").

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement for the Bond Issue dated 31 August 2015 as amended by an amendment agreement dated 27 September 2017 (the "**Bond Agreement**"), unless otherwise stated herein.

The Issuer has requested the Bond Trustee to issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Bondholders' Resolutions*) of the Bond Agreement to consider the approval of the Proposed Resolution (including the waiver request in respect of the Insurance Breach (as defined below)), as further set out below.

*The information in this notice regarding the Issuer and market conditions is provided by the Issuer, and the Bond Trustee expressly disclaims any liability whatsoever related to such information.*

### **1. BACKGROUND**

Pursuant to clause 13.6(d)(ii) (*Vessel covenants*) of the Bond Agreement the Issuer is required to ensure that the Vessel at all times shall be adequately insured (including war risk) against Hull & Machinery risks of at least 120% of the outstanding amount under the Finance Documents.

As at the date of this notice, the current aggregate amount outstanding under the Finance Documents is c.\$138 million. However, the level of insurance coverage in place totals \$160 million which is well in excess of the aggregate amount outstanding, but c.\$5 million less than the 120% requirement under clause 13.6(d)(ii) (*Vessel covenants*) of the Bond Agreement. Consequently, there is a technical breach under the Bond Agreement (the "**Insurance Breach**"). However, considering that the Vessel is currently in lay-up, the risk of a Total Loss is remote.

The commercial advisors (AMA) have sourced replacement insurance coverage with the intention of remedying the Insurance Breach as soon as reasonably practicable. The new insurance will be in an amount of \$100 million against Hull & Machinery risks and a third party liability insurance as per industry standards.

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Accordingly, the Issuer has requested the Bondholders consent to:

- a) the waiver of any Events of Default that is currently continuing or that will occur in the future under clause 15.1(b) (*Breach of Other Obligations*) of the Bond Agreement as a result of the Insurance Breach by no later than 28 October 2017; and
- b) the amendments set out in paragraph 2.2 below to clause 13.6(d)(ii) (*Vessel covenants*) of the Bond Agreement.

## **2. THE PROPOSAL**

### **2.1 Waiver request**

To implement the Proposed Resolution (as defined below), a majority of at least  $\frac{2}{3}$  of the Voting Bonds represented at the Bondholders' Meeting, will consent to the waiver of any Events of Default that is currently continuing or that will occur in the future under Clause 15.1(b) (*Breach of Other Obligations*) of the Bond Agreement as a result of the Insurance Breach by no later than 28 October 2017 (the "**Waiver**").

### **2.2 Amendment to the Bond Agreement**

To implement the Proposed Resolution (as defined below) the Bond Agreement will need to be amended (the "**Amendment**") as follows:

Clause 13.6(d)(ii) (*Vessel covenants*) will be deleted in its entirety and replaced with the following:

*"The Issuer shall ensure that:*

*(ii) the Vessel at all times shall be adequately insured (including war risk) against Hull & Machinery risks of an amount of \$100m and a third party liability insurance as per industry standards, as well as any additional insurance required under any other contracts.*

*The Bond Trustee shall be entitled to take out a Mortgagee's Interest Insurance and a Mortgagee's Additional Perils (Pollution) Insurance (or similar insurances) at the cost of the Issuer.*

*The insurances and Loss Payee Clause shall be in accordance with the Nordic Marine Insurance Plan or other insurances with at least similar terms."*

### **2.3 The Proposed Resolution**

The Issuer requests that the Bondholders adopt the following resolutions (the "**Proposed Resolutions**"):

- A. *approve the Waiver.*
- B. *approve the Amendment.*

The members of the Advisory Committee have already indicated their support for the Proposed Resolutions.

Other than the Amendment prompted by the Proposed Resolutions, the terms and conditions of the Bond Agreement will remain unchanged and will continue to apply in their existing form.

## **3. Non reliance**

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The Proposed Resolutions are presented to the Bondholders without evaluation or recommendation from the Bond Trustee. The Bondholders must independently evaluate whether the Proposed Resolutions are acceptable.

**4. Written Bondholders' resolutions**

Bondholders are hereby provided with a voting request for Bondholders' written resolutions 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 mail, courier or e-mail to the address indicated in the enclosed form (the "**Voting Form**") no later than 26 October 2017 at 15:00 hours (Oslo time) (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 (which, for the avoidance of doubt is  $\frac{2}{3}$  of the Voting Bonds pursuant to clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that the Bonds have been transferred to a new owner after voting is conducted, the new Bondholders shall accordingly not be entitled to vote.

Yours sincerely

**Nordic Trustee AS**



Morten S. Bredeesen

Enclosed: Written Bondholders' resolution

## Written Bondholders' resolution

**ISIN: NO 001 0744246 - 12 percent NSA Bondco Limited Senior Callable Bond Issue 2015/2020**

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

1. The Proposed Resolution as defined in the notice for written resolution dated 18 October 2017:

☐ **In favour** of the Proposed Resolutions

☐ **Against** the Proposed Resolutions

ISIN <b>ISIN NO 001 0744246</b>	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

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

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

.....  
Place, date

.....  
Authorised signature

### Return:

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

Telefax: +47 22 87 94 10  
Tel: +47 22 87 94 00  
mailto: mail@nordictrustee.no

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