

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

To the bondholders in:

ISIN: NO 001 0753437 - EUR 250,00,000 7.25% Norwegian Air Shuttle ASA Senior Unsecured Bond Issue 2015/2019 ("**NAS07**"), and

ISIN: NO 001 0783459 - SEK 963,500,000 Norwegian Air Shuttle ASA Senior Unsecured Bond Issue 2017/2020 ("**NAS08**").

Oslo, 2 September 2019

Summons to Bondholders' Meetings

Nordic Trustee AS acts as bond trustee (the "**Bond Trustee**") for the holders of bonds in the above-mentioned bond issues (each a "**Bond Issue**" together the "**Bond Issues**" or the "**Bonds**") issued by Norwegian Air Shuttle ASA (the "**Issuer**" or the "**Company**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreements for NAS07 dated 9 December 2015 (and as amended) and for NAS08 dated 7 February 2017 made between the Bond Trustee and the Issuer (the "**Bond Terms**"), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs of the relevant Bond Terms.

A separate Bondholders' Meeting will be held for each Bond Issue, but for practical purposes these will be held simultaneously.

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

1. BACKGROUND

Norwegian Air Shuttle ("NAS" or the "Company") is executing on its strategic plan from growth to profitability and cash generation. To ensure successful operations and adequate liquidity headroom, NAS is requesting to extend the maturity dates of its two unsecured bonds in exchange for a security package backed by the attractive take-off and landing slots at London Gatwick Airport.

The Company is requesting an extension for NAS07 and NAS08 to November 2021 and February 2022, respectively. The Company will in exchange offer the unsecured bondholders a security package consisting of a pledge over all shares in Norwegian Air Norway AS ("NAN"), which will hold the aforementioned take-off and landing slots.

The Company's operational performance continues to improve since the Q2 2019 Report mid-July. The Company is on track to reach NOK 6-7 billion in EBITDAR in 2019 as stated in the Q2 2019 Report, with further improvement expected next year. NAS continues to prioritize delivering on the announced initiatives.

For further information, please see the stock exchange notice published in conjunction with these summons on Oslo Stock Exchange's news publishing site www.newsweb.no under the ticker "NAS".

In consideration of approving the proposed amendments, the Issuer is offering an amendment fee of 0.25%. In addition, Bondholders demonstrating to the Issuer that they have accepted the Proposal on or before 11 September 2019 will receive an Early Bird Fee of 0.75% as described in Section 3 below.

To enable the Issuer to implement the proposed amendments to the Bond Terms, the Issuer has requested the Bond Trustee to summon Bondholders' Meetings in each of the Bond Issues to consider the approval of the following proposed amendments (the "**Proposal**").

The Issuer proposes that the Bond Terms are amended to reflect the following proposed amendments as described in Clause 2 below:

2. PROPOSAL

The proposal for amendments will in summary consist of:

- (i) the introduction of collateral securing NAS07 and NAS08 (on a pro rata basis) with covenants supporting the security structure;
- (ii) an extension of the maturity of NAS07 and NAS08 to November 2021 and February 2022;
- (iii) the redemption price at the maturity date amended to 105 per cent of par;
- (iv) the introduction of call options with a call option price increasing during the term and ending on 105 per cent of par;
- (v) restrictions on dividend payments; and
- (vi) an extended cure period for breach of the Book Equity covenant, to facilitate remedial actions.

In more detail, the Issuer proposes the amendments to the existing Bond Terms for NAS07 and NAS08 set out in Appendix 3 (*Proposed NAS07 Amendments*) and Appendix 4 (*Proposed NAS08 Amendments*) respectively.

All amendments will take effect simultaneously and the effective date for the amendments (the "**Effective Date**") will be the date on which the conditions precedent set out in Appendix 5 (*Conditions for Effective Date*) are satisfied.

3. EARLY BIRD FEE

The Issuer has offered to pay an early bird fee to any Bondholder which gives its irrevocable pre-consent to support the Proposal (the "**Early Bird Fee**"), cf. information from the Issuer regarding the Early Bird Fee attached hereto as Appendix 2.

For the avoidance of doubt, the obligation on the Issuer to pay the Early Bird Fee to pre-consenting Bondholders is subject to, and shall be contained in, a separate voting agreement and is a bilateral obligation owed by the Issuer to the relevant Bondholder and not be governed by the respective Bond Agreements. The Bond Trustee shall have no responsibility whatsoever for or any involvement in the payment of the Early Bird Fee, nor shall the Bond Trustee have any recourse against the Issuer in circumstances where the Early Bird Fee is due and payable but not paid.

4. EVALUATION OF THE PROPOSAL

4.1 The Issuer's evaluation

The Issuer is of the opinion that the Proposal is reasonably balanced and provides the best possible credit enhancement taking into account the alternatives available during the current circumstances.

4.2 The Trustee's disclaimer/non-reliance

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

4.3 Further information

For further information about the Issuer, please visit the Issuer's website www.norwegian.no.

The Issuer has engaged DNB Markets, a part of DNB Bank ASA and Pareto Securities AS as its financial advisors (the "Advisors") with respect to the Proposal. Accordingly, Bondholders may contact DNB Markets at +47 24 16 90 30 or norwegian2019@dnb.no or Pareto Securities AS Fixed Income Sales at +47 22 87 87 70 or nas@paretosec.com for further information.

The Advisors are acting solely for, and relying on information from, the Issuer in connection with the Proposal. No due diligence investigations have been carried out by the Advisors with respect to the Issuer, and the Advisor does not assume any liability in connection with the Proposal (including but not limited to the information contained herein).

For further questions to the Bond Trustee, please contact Jørgen Andersen at andersen@nordictrustee.com or + 47 22 87 94 00.

5. BONDHOLDERS' MEETING:

Bondholders are hereby summoned to a Bondholders' meeting:

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|---------------|---|
| Time: | 16 September 2019 at 13.00 hours (1pm) (Oslo time), |
| Place: | The premises of Nordic Trustee AS, Kronprinsesse Märthas Plass 1, 0160 Oslo - 7th floor |

Agenda:

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

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

"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons for the

Bondholders' Meeting.

The Bond Trustee shall be authorised to take any action, negotiate, finalise, enter into and deliver any agreements, notices, arrangements or other documentation as it deems necessary or desirable to effect the Proposal in its sole discretion."

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

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date for each of NAS07 and NAS08. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

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

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

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

Yours sincerely
Nordic Trustee AS



Jørgen Andersen

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| Enclosed: | Appendix 1: | Bondholder's Form |
| | Appendix 2: | Information from the Issuer regarding the Early Bird Fee |
| | Appendix 3: | Proposed NAS07 Amendments |
| | Appendix 4: | Proposed NAS08 Amendments |
| | Appendix 5: | Conditions for Effective Date |

Appendix 1

Bondholder's Form

Appendix 2

Information from the Issuer regarding Early Bird Fee

On the condition that the Proposal is accepted with respect to each of NAS07 and NAS08, as a bilateral transaction between the Issuer and any relevant Bondholders, the Issuer will pay an early bird fee to any Bondholder which gives its irrevocable pre-consent to support the Proposal prior to 5 p.m. Oslo time on 11 September 2019 (the “**Early Bird Fee**”). The Early Bird Fee shall be an amount equal to 0.75% of the aggregate principal amount of the Bonds held by that Bondholder on the date of the respective bondholders' meeting approving the Proposal (the “**Early Bird Acceptance Date**”) which also shall be the record date for payment of the Early Bird Fee. If Bondholders wish to provide their irrevocable pre-consent to support the Proposal so as to become eligible to receive the Early Bird Fee, they will need to enter into a voting agreement (the “**Voting Agreement**”) with the Issuer, pursuant to which they will agree to vote their Bonds in favour of the Proposal and agree not to transfer their Bonds unless the transferee also agrees to be bound by the terms of the Voting Agreement. The Voting Agreement will include evidence of holdings. The Early Bird Fee shall be paid to each Bondholder which is eligible to receive it within no later than 10 Business Days after the Proposal Approval Date (as defined in the Voting Agreement).

Voting Agreements are available from the Advisors, through the following contacts:

DNB Markets: norwegian2019@dnb.no

Pareto Securities: nas@paretosec.com

For the avoidance of doubt, the obligation on the Issuer to pay the Early Bird Fee to pre-consenting Bondholders is subject to the terms of, and shall be contained in, the Voting Agreement and is a bilateral obligation owed by the Issuer to the relevant Bondholder. The Bond Trustee shall have no responsibility whatsoever for or any involvement in the payment of the Early Bird Fee, nor shall the Bond Trustee have any recourse (including on behalf of the Bondholders) against the Issuer in circumstances where the Early Bird Fee is due and payable but not paid.

Appendix 3

Proposed NAS07 Amendments

CHANGES TO TENOR, CALL OPTIONS, DIVIDENDS, REDEMPTION PRICE AND CURE

- In Clause 1.1 (*Definitions*) the following definition to be amended as follows:

“**Maturity Date**” means 11 November 2021. Any adjustment will be made according to the Business Day Convention.

- In Clause 1.1 (*Definitions*) the following definitions shall be added:

“**Call Option**” shall have the meaning given to such term in Clause 10.3.1.

- Clause 10.1 (*Maturity*) to be deleted in its entirety and replaced with the following clause:

The Bonds shall mature in full on the Maturity Date, and shall be repaid at 105% (one hundred and five per cent) of par.

- The following new clause 10.3 (*Optional Redemption*) to be added:

10.3 *Optional Redemption*

10.3.1 Subject to the provisions of this Clause 10.3, the Issuer may redeem the Bonds (in whole or in part) (the “**Call Option**”) at any time from and including the Issue Date to, but not including, the Maturity Date at a price equal to:

- (a) on or before 11 December 2020, 101% (one hundred and one per cent) of par;
- (b) from 12 December 2020 to 7 May 2021 (inclusive), 103% (one hundred and three per cent) of par; and
- (c) from and including 8 May 2021 to the Maturity Date, 105% (one hundred and five per cent) of par,

in each case plus accrued interest on the redeemed Bonds.

10.3.2 Any exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least 10 (ten) Business Days prior to the settlement date of the Call Option.

10.3.3 On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

10.3.4 Bonds redeemed by the Issuer in accordance with this Clause 10.3 shall be discharged against the Outstanding Bonds.

- Clause 13.3(i) (*Dividends or other distributions*) to be deleted in its entirety and replaced with the following clause:

(i) *Dividends or other distributions*

During the term of the Bonds the Issuer shall not make dividend payments, repurchase shares or make other distributions or loans to its shareholders (including any transaction with similar effect).

Notwithstanding the above, the Issuer may repurchase shares in connection with any option or similar incentive program of the Issuer in force at any time made for the benefit of the employees and/or management and/or directors of any Group Company.

- Clause 13.4(a) (*Minimum Book Equity*) to be deleted in its entirety and replaced with the following clause:

(a) *Minimum Book Equity*

The Issuer shall ensure that the Group, on a consolidated basis, maintains a Book Equity of minimum NOK 1,500 million.

Notwithstanding the above, in the event that the most recent audited consolidated annual financial statements or latest Interim Accounts of the Issuer (as applicable), when published, indicate a Book Equity lower than the minimum amount provided for above, such event shall not represent a failure to comply with this Clause 13.4(a) (*Minimum Book Equity*) provided that:

- the Issuer has summoned a general meeting of its shareholders to resolve steps to increase its Book Equity sufficiently; and
- its Book Equity is sufficiently increased within 45 days of the publication of the relevant financial statements or Interim Accounts (as applicable).

INTRODUCTION OF SECURITY AND RELATED COVENANTS

- **In Clause 1.1 (*Definitions*)** the following definitions to be amended as follows:

“**Finance Documents**” means:

- this Bond Agreement;
- the agreement between the Bond Trustee and the Issuer referred to in Clause 14.2;
- the Security Documents (including any notices, acknowledgements and other ancillary documentation relating thereto);
- any documents executed in relation to the granting of any Security Interest to the Bond Trustee or the Security Agent; and
- any other document the Issuer and the Bond Trustee agree in writing to be a Finance Document.

- **In Clause 1.1 (*Definitions*)** the following definitions shall be added:

“ACL” means Airport Coordination Limited, a private company limited by guarantee incorporated in England (under registered number 02603583), whose registered office is at Viewpoint, 240 London Road, Staines-Upon-Thames, Middlesex, England, TW18 4JT, or any successor or replacement entity, in each case being the entity appointed for the time being pursuant to the Slot Regulation as coordinator for, inter alia, London Gatwick Airport and having the sole responsibility for the allocation of Slots at London Gatwick Airport.

“air carrier” shall have the meaning given to such term in the Slot Regulation.

“Air Operator Certificate” means an air operator certificate for the purposes of, and issued by a competent authority in accordance with, Commission Regulation (EU) No 965/2012.

“Assignment of Intercompany Claims” means the pledge or assignment (or such similar security under any relevant jurisdiction) of Intercompany Claims (to the extent legally permissible).

“EU Licencing Regulation” means Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community.

“Excess Slot Disposal Proceeds” means any cash proceeds received by the Slot Owner arising from the sale, trade, swap or other disposal of its Slots, excluding any such proceeds received prior to occurrence of the Slot Disposal Trigger Event (such excluded proceeds being limited to USD 35,000,000), after deducting without double counting:

- (a) any reasonable expenses (including legal fees, agents’ commissions and auditors’ fees) incurred by the Group directly in connection with any such disposal of Slots;
- (b) any tax incurred and required to be paid or reserved for by any Group Company with respect to any such disposal of Slots; and
- (c) any deferred consideration (but only until received).

“Excess Slot Disposal Proceeds Account” means an account or a series of accounts of the Slot Owner, held with one or more banks and in such currencies as the Slot Owner sees fit, irrevocably pledged and blocked pursuant to the Excess Slot Disposal Proceeds Account Pledge.

“Excess Slot Disposal Proceeds Account Pledge” means the first priority account pledge over the Excess Slot Disposal Proceeds Account, made in favour of the Bond Trustee for the benefit of the Bondholders and the NAS08 Bondholders (*pari passu* and *pro rata* between them).

“Intercompany Claim” means any amount payable (whether actual or contingent and howsoever arising) by the Slot Owner towards any other Group Company in excess of USD 1,000,000, excluding any such amounts arising:

- (a) in relation to intra-group aircraft leasing; or
- (b) in the ordinary course of business on payment terms of no more than 30 (thirty) days.

“Intragroup Services Agreements” means any agreement between the Slot Owner and another Group Company for the intragroup sale, lease or transfer of goods or services (including, for the avoidance of doubt, provision of air operations services, crew or other personnel or infrastructure, intragroup Slot Usage Arrangements, leasing of aircraft and licensing of intangible assets, but excluding any intragroup financing arrangement).

“**NAN**” means Norwegian Air Norway AS, a company existing under the laws of Norway with registration number 912 084 949.

“**NAS08 Bondholders**” means the holders from time to time of the NAS08 Bonds.

“**NAS08 Bonds**” means the senior unsecured bonds issued under the NAS08 Bond Issue.

“**NAS08 Bond Agreement**” means the bond agreement in respect of the NAS08 Bond Issue dated 7 February 2017 (as amended).

“**NAS08 Bond Issue**” means the SEK 963,500,000 Norwegian Air Shuttle ASA Senior Unsecured Bond Issue 2017/2020 with ISIN NO 001 0783459.

“**NAS08 Finance Documents**” shall have the meaning given to the term “Finance Documents” in the NAS08 Bond Agreement.

“**Operating Licence**” shall have the meaning given to such term in the EU Licencing Regulation.

“**Security Agent**” means the Bond Trustee, unless any other legal entity is appointed as collateral agent pursuant to Clause 17.4.

“**Security Documents**” means collectively, all the documents evidencing, creating or granting the Security Interests.

“**Security Interest**” means any Security created (or to be created) in favour of the Bond Trustee or the Security Agent to secure the obligations of the Issuer under any Finance Document, including but not limited to the following first priority security:

- (a) the Share Charge;
- (b) the Assignment of Intercompany Claims; and
- (c) the Excess Slot Disposal Proceeds Account Pledge.

“**Share Charge**” means the share charge granted by the owner of 100% (one hundred per cent.) of the shares in the Slot Owner over all such shares, together with, *inter alia*, letters of resignation (effective upon an Event of Default for which the Bond Trustee has issued a notice) (if legally possible) from all board members as well as a covenant to obtain letters of resignation from future board members.

“**Slot**” shall have the meaning given to such term in the Slot Regulation.

“**Slot Disposal Trigger Event**” means the time at which the Slot Owner has received cash proceeds in excess of USD 35,000,000 in aggregate arising from the sale, trade, swap or other disposal of its Slots, whether in one or more transactions after deducting without double counting:

- (a) any reasonable expenses (including legal fees, agents’ commissions and auditors’ fees) incurred by the Group directly in connection with any such disposal of Slots;
- (b) any tax incurred and required to be paid or reserved for by any Group Company with respect to any such disposal of Slots; and
- (c) any deferred consideration (but only until received).

“Slot Owner” means a limited liability company incorporated in Norway (or such other jurisdiction approved by the Bond Trustee) directly or indirectly owned by the Issuer which from time to time holds all the Slots of the Group at London Gatwick Airport and qualifies as an air carrier, the first Slot Owner being NAN and thereafter the Slot Owner being any Group Company designated as the Slot Owner from time to time by the Issuer and the Bond Trustee together (subject to conditions precedent as reasonably required by the Bond Trustee).

“Slot Owner Liquidity” means, with respect to the Slot Owner, the aggregate book value of freely available and unencumbered, except as encumbered by security provided hereunder, cash and cash equivalents.

“Slot Pool” shall have the meaning given to such term in the latest edition from time to time of the Worldwide Slot Guidelines published by IATA.

“Slot Regulation” means Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports, as amended by Regulation (EC) No 894/2002 of 27 May 2002, Regulation (EC) No 1554/2003 of 22 July 2003, Regulation (EC) No 793/2004 of 21 April 2004 and Regulation (EC) No 545/2009 of 18 June 2009 and as further amended from time to time.

“Slot Usage Arrangement” means any arrangement providing for the use of Slots held by the Slot Owner by any other Group Company or third party.

“Slot Valuation Report” means an independent third-party valuation report in respect of the Slots held by the Slot Owner, delivered by the Issuer to the Bond Trustee.

“Temporary Operating Licence” means a temporary licence issued by the relevant competent licensing authority pursuant to Article 9(1) of the EU Licencing Regulation to a “Community air carrier” as defined in Article 2(e) of the Slot Regulation.

- The following new clause 1.2(h) to be added:

(h) at any time after the United Kingdom has ceased to be a member of the European Union, all references to any particular institution of the European Union shall be deemed to refer to the equivalent institution or institutions in the United Kingdom which perform a similar function under English Law, and all references to the Slot Regulation or any other regulation, directive or other provision of law derived from the European Union shall be deemed to refer to the equivalent law in the United Kingdom which performs a similar function under English law.

- **Clause 8** (*Status of the Bonds and security*) to be deleted in its entirety and replaced with the following clause:

8 Status of the Bonds and security

8.1 Ranking and priority

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

8.2 *The Security*

- 8.2.1 The Security Interests shall secure with first priority, the Issuer's obligations under the Finance Documents, including but not limited to any amount outstanding under this Bond Agreement to the Bond Trustee and the Bondholders, including fees, interest, premium (whether payable in relation to the exercise of the Call Option or on the Maturity Date) and expenses.
- 8.2.2 The Issuer shall (at its own expense) ensure that the Security Documents are duly executed by the Issuer and any other security provider in favour of the Bond Trustee or the Security Agent and, as applicable, amended in accordance with this Bond Agreement and that the Security Documents, as amended, are legally valid, perfected, enforceable (subject to applicable hardening periods) and in full force and effect from the date on which they are to be delivered or amended under the terms of this Bond Agreement throughout the tenor of the Bonds and until all amounts payable in respect of the Bonds have been fully and finally repaid or paid or as otherwise permitted pursuant to this Bond Agreement. The Issuer shall (at its own expense) execute and procure the execution of such further documentation as the Bond Trustee may reasonably require in order for the Bondholders to at all times maintain the legal validity, perfection, enforceability and priority position of the Security Interests envisaged hereunder (subject only to any restrictions imposed by applicable law and it being understood that customary limitation language will be included if so required) including, without limitation, registration of such Security Interests with the appropriate registrar or authority in all applicable jurisdictions.
- 8.2.3 Notwithstanding any provision of this Agreement to the contrary, the Bond Trustee (on behalf of the Bondholders) hereby acknowledges that the Security Interests may secure with first priority the Issuer's obligations under the NAS08 Finance Documents, *pro rata* and *pari passu* with (and taken together with) the Issuer's obligations under the Finance Documents, and references in this Agreement to "first priority" shall be construed accordingly.

- The following new Clause 10.4 (*Disposal of Slots*) to be added:

10.4 *Disposal of Slots*

- 10.4.1 From and including the time of the Slot Disposal Trigger Event, the Issuer shall procure that the Slot Owner shall:
- (a) upon receipt promptly credit the Slot Disposal Proceeds Account with any Excess Slot Disposal Proceeds; and
 - (b) only apply amounts standing to the credit of the Excess Slot Disposal Proceeds Account to redeem, *pro rata* between them, the Bonds and the NAS08 Bonds, at a price corresponding to the then prevailing Call Option price in respect of such Bonds or the NAS08 Bonds respectively.
- 10.4.2 For the avoidance of doubt and subject to Clause 10.4.1 above and Clause 13.5(f) (*Status of Slots*) below, nothing in this Agreement shall prohibit:
- (a) the disposal, transfer, lease, exchange or substitution of any Slots by the Slot Owner;
 - (b) any ad hoc or operational adjustments to timing of any such Slots or the temporary return of Slots to the Slot Pool; or

(c) any Slot Usage Arrangement

in each case in the course of reasonable management of the airline operations of the Group.

- The following new clause 13.2.1(j) to be added:

(j) at the request of the Bond Trustee, provide an overview of all personnel relevant to maintenance of the Slot Owner's Air Operator Certificate and Operating Licence.

- Clause 13.3(f) (*Arm's length transactions*) to be deleted in its entirety and replaced with the following clause:

(f) *Arm's length transactions*

The Issuer shall not, and shall procure that no other Group Company shall, enter into any transaction with any person including, *inter alia*, any arrangement with respect to any disposal, transfer, lease, exchange or substitution of any Slots, including any Slot Usage Arrangement, except on arm's length terms and for fair market value.

- The words "(other than the Slot Owner)" to be inserted immediately after the words "Group Company" in Clause 13.3(j) (*Financial Indebtedness*).
- Clause 13.3(k) (*Negative pledge*) to be deleted in its entirety and replaced with the following clause:

(k) *Negative pledge*

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over:

- any shares in Arctic Aviation or any other direct Subsidiary of the Issuer;
- assets secured by the Security Interest; and
- the assets of the Slot Owner (including any Slots held by it), excluding any receivables arising in relation to intra-group aircraft leasing,

except for any Security arising under the Finance Documents.

- The following new Clause 13.3(l) (*No enforcement*) to be added as follows:

(l) *No enforcement*

The Issuer shall not, and shall procure that no other Group Company will, take or join any person in taking any steps (including any right of set-off) whatsoever against the Slot Owner for the purposes of obtaining payment of any amount whatsoever due from the Slot Owner to the Issuer or such other Group Company (as applicable) at any time when an Event of Default has occurred and has been notified in accordance with the provisions of Clause 15, save as required by the Bond Trustee or the Security Agent in connection with enforcement of the Security Documents.

- The following new Clause 13.5 (*Slot Owner Covenants*) to be added as follows:

13.5 *Slot Owner Covenants*

(a) *Business*

The Issuer shall procure that the Slot Owner will be a limited liability company incorporated in Norway (or such other jurisdiction as approved by the Bond Trustee), directly or indirectly owned by the Issuer with Slots being its main asset and otherwise operating in the ordinary course of its business.

(b) *Valuation*

The Issuer shall procure that the Slot Owner delivers to the Bond Trustee, no later than together with the Interim Accounts for the period ending 30 June, a Slot Valuation Report with reference to values on 30 June that year.

(c) *Status as an air carrier*

The Issuer shall:

- (i) procure that the Slot Owner shall comply with all requirements under applicable law necessary to maintain the Slot Owner's status as an "air carrier", and procure and maintain all consents and licences required in relation thereto; and
- (ii) promptly notify the Bond Trustee without delay of any suspension, revocation, or expiration of (and of any notice or warning of potential suspension or revocation of) such consents and licences with a plan to remedy the situation or dispose of the Slots for cash (in all material respects).

For the avoidance of doubt, the parties to this Agreement hereby acknowledge this Clause 13.5(c) (*Status as an air carrier*) shall not be breached as a result of any suspension, revocation, or expiration of (and of any notice or warning of potential suspension or revocation of) the Operating Licence of the Slot Owner, to the extent that:

- (iii) the Issuer has complied with (and continues to be in compliance with) Clause 13.5(d) (*Temporary Operating Licence*) below; and
- (iv) the Norwegian Civil Aviation Authority has not declined to grant a Temporary Operating Licence to the Slot Owner, or has not suspended, revoked or otherwise terminated a Temporary Operating Licence of the Slot Owner (other than in connection with replacement of such Temporary Operating Licence with an Operating Licence due to an improvement in the financial condition of the Slot Owner).

(d) *Temporary Operating Licence*

In the event that the Norwegian Civil Aviation Authority notifies the Slot Owner in writing of its intention to suspend, withdraw or revoke the Slot Owner's Operating Licence as a result of the financial performance of the Slot Owner and/or the Issuer no longer being satisfied that the Slot Owner can meet its actual and potential obligations for a twelve (12) month period, the Issuer shall procure that the Slot Owner promptly commences preparation of all necessary information and takes all necessary steps to apply to the Norwegian Civil Aviation Authority for a Temporary Operating Licence including, without limitation, an appropriate business plan and, in the event such business plan is approved by the Norwegian Civil Aviation Authority, procure that the Slot Owner implements such business plan.

(e) Intragroup Services Agreements

The Issuer shall procure that no Intragroup Services Agreement permits a Group Company (other than the Slot Owner) to terminate such agreement on less than three (3) months' prior written notice to the Slot Owner.

(f) Status of Slots

The Issuer shall procure that all Slots owned by the Group at London Gatwick Airport shall be held by the Slot Owner, and thereafter shall procure that the Slot Owner shall retain ownership of all such Slots at London Gatwick Airport, save that the Slot Owner may sell, trade, swap or otherwise dispose of any such Slots:

- (i) for cash, provided that (from and including the time of the Slot Disposal Trigger Event) the proceeds thereof are applied in accordance with Clause 10.4.1 above;
- (ii) on a temporary basis in the course of reasonable management of the airline operations of the Group; or
- (iii) for consideration comprising Slots on an airport other than London Gatwick Airport, provided that such disposal would not cause the Slot Owner to own Slots at London Gatwick Airport with an aggregate fair market value of less than 80% of the aggregate fair market value of Slots at London Gatwick Airport owned by it at the time of and by reference to the first-delivered Slot Valuation Report.

(g) Slot Owner Financial Indebtedness

The Issuer shall procure that the Slot Owner does not incur or permit to remain outstanding any Financial Indebtedness (whether secured or unsecured, actual or contingent) other than:

- (i) amounts arising in relation to intra-group aircraft leasing; and
- (ii) Intercompany Claims.

(h) Minimum liquidity

The Issuer shall procure that the Slot Owner at all times maintains Slot Owner Liquidity of no less than USD 2,000,000 (not including cash in the Excess Slot Disposal Proceeds Account).

- Clauses 14.1 to 14.3 (*Fees and expenses*) inclusive to be deleted in their entirety and replaced with the following clauses:

- 14.1 The Issuer shall cover all costs and expenses incurred by it or the Bond Trustee (and/or the Security Agent) in connection with this Bond Agreement and the fulfilment of its obligations under this Bond Agreement or any other Finance Document, including in connection with the negotiation, preparation, execution and enforcement of this Bond Agreement and the other Finance Documents and any registration or notifications relating thereto (including any stamp duty), the listing of the Bonds on an Exchange (if applicable), and the registration and administration of the Bonds in the Securities Depository. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Security under a Finance Document, to setoff and cover any such costs and expenses.

14.2 The fees, costs and expenses payable to the Bond Trustee (and/or the Security Agent) shall be paid by the Issuer and are set out in a separate agreement between the Issuer and the Bond Trustee (and/or the Security Agent).

14.3 Fees, costs and expenses payable to the Bond Trustee (or the Security Agent) which, due to the Issuer's insolvency or similar circumstances, are not reimbursed in any other way may be covered by making an equivalent reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection with the restructuring or default of the Bond Issue and the enforcement of any Security.

- The following new Clause 15.5 to be added:

15.5 Notwithstanding any provision of the Finance Documents to the contrary, the Bond Trustee (on behalf of the Bondholders) hereby acknowledges and agrees that any and all proceeds received or recovered by the Bond Trustee in its capacity as collateral agent as a result of enforcement of the Security Documents shall be applied in or towards payment *pro rata* between the Bonds and the NAS08 Bonds, based on the outstanding principal amount of such bonds from time to time, for further application in accordance with the respective bond agreements of such bonds.

- The following new Clause 17.4 (*Security Agent*) to be added:

17.4 *Security Agent*

17.4.1 The Bond Trustee is appointed to act as Security Agent for the Bond Issue, unless any other person is appointed. The main functions of the Security Agent may include holding the Security Interest on behalf of the Bondholders and monitoring compliance by the Issuer and other relevant parties of their respective obligations under this Bond Agreement and/or the Security Documents with respect to the Security made available to it pursuant to the Finance Documents.

17.4.2 The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Security Interest in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.

17.4.3 Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.

17.4.4 The functions, rights and obligations of the Security Agent may be determined by a Security Agent agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other parties to any Security Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent agreement has been entered into.

17.4.5 The provisions set out in Clause 17.2 (*Liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

- Clause 18.2.2(d) (*Bond Defeasance*) to be deleted in its entirety and replaced with the following:
 - (d) any Security other than the Defeasance Security shall be discharged (to the extent that such Security is no longer required to be maintained due to any provision of the NAS08 Finance Documents); and

Appendix 4

Proposed NAS08 Amendments

CHANGES TO TENOR, CALL OPTIONS, DIVIDENDS, REDEMPTION PRICE AND CURE

- In Clause 1.1 (*Definitions*) the following definition to be amended as follows:

“**Maturity Date**” means 7 February 2022. Any adjustment will be made according to the Business Day Convention.

- In Clause 1.1 (*Definitions*) the following definitions shall be added:

“**Call Option**” shall have the meaning given to such term in Clause 10.3.1.

- Clause 10.1 (*Maturity*) to be deleted in its entirety and replaced with the following clause:

The Bonds shall mature in full on the Maturity Date, and shall be repaid at 105% (one hundred and five per cent) of par.

- The following new clause 10.3 (*Optional Redemption*) to be added:

10.3 *Optional Redemption*

10.3.1 Subject to the provisions of this Clause 10.3, the Issuer may redeem the Bonds (in whole or in part) (the “**Call Option**”) at any time after the NAS07 Bonds have been discharged in full to, but not including, the Maturity Date at a price equal to:

- (a) on or before 7 February 2021, 101% (one hundred and one per cent) of par;
- (b) from 8 February 2021 to 7 May 2021 (inclusive), 103% (one hundred and three per cent) of par; and
- (c) from and including 8 May 2021 to the Maturity Date, 105% (one hundred and five per cent) of par,

in each case plus accrued interest on the redeemed Bonds.

10.3.2 Any exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least 10 (ten) Business Days prior to the settlement date of the Call Option.

10.3.3 On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

10.3.4 Bonds redeemed by the Issuer in accordance with this Clause 10.3 shall be discharged against the Outstanding Bonds.

- Clause 13.3(i) (*Dividends or other distributions*) to be deleted in its entirety and replaced with the following clause:

(i) *Dividends or other distributions*

During the term of the Bonds the Issuer shall not make dividend payments, repurchase shares or make other distributions or loans to its shareholders (including any transaction with similar effect).

Notwithstanding the above, the Issuer may repurchase shares in connection with any option or similar incentive program of the Issuer in force at any time made for the benefit of the employees and/or management and/or directors of any Group Company.

- Clause 13.4(a) (*Minimum Book Equity*) to be deleted in its entirety and replaced with the following clause:

(a) *Minimum Book Equity*

The Issuer shall ensure that the Group, on a consolidated basis, maintains a Book Equity of minimum NOK 1,500 million.

Notwithstanding the above, in the event that the most recent audited consolidated annual financial statements or latest Interim Accounts of the Issuer (as applicable), when published, indicate a Book Equity lower than the minimum amount provided for above, such event shall not represent a failure to comply with this Clause 13.4(a) (*Minimum Book Equity*) provided that:

- (i) the Issuer has summoned a general meeting of its shareholders to resolve steps to increase its Book Equity sufficiently; and
- (ii) its Book Equity is sufficiently increased within 45 days of the publication of the relevant financial statements or Interim Accounts (as applicable).

INTRODUCTION OF SECURITY AND RELATED COVENANTS

- **In Clause 1.1** (*Definitions*) the following definitions to be amended as follows:

“**Finance Documents**” means:

- (a) this Bond Agreement;
- (b) the agreement between the Bond Trustee and the Issuer referred to in Clause 14.2;
- (c) the Security Documents (including any notices, acknowledgements and other ancillary documentation relating thereto);
- (d) any documents executed in relation to the granting of any Security Interest to the Bond Trustee or the Security Agent; and
- (e) any other document the Issuer and the Bond Trustee agree in writing to be a Finance Document.

- **In Clause 1.1** (*Definitions*) the following definitions shall be added:

“**ACL**” means Airport Coordination Limited, a private company limited by guarantee incorporated in England (under registered number 02603583), whose registered office is at Viewpoint, 240 London Road, Staines-Upon-Thames, Middlesex, England, TW18 4JT, or any successor or replacement entity, in each case being the entity appointed for the time being pursuant to the Slot Regulation as coordinator for, inter alia, London Gatwick Airport and having the sole responsibility for the allocation of Slots at London Gatwick Airport.

“**air carrier**” shall have the meaning given to such term in the Slot Regulation.

“**Air Operator Certificate**” means an air operator certificate for the purposes of, and issued by a competent authority in accordance with, Commission Regulation (EU) No 965/2012.

“**Assignment of Intercompany Claims**” means the pledge or assignment (or such similar security under any relevant jurisdiction) of Intercompany Claims (to the extent legally permissible).

“**EU Licencing Regulation**” means Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community.

“**Excess Slot Disposal Proceeds**” means any cash proceeds received by the Slot Owner arising from the sale, trade, swap or other disposal of its Slots, excluding any such proceeds received prior to occurrence of the Slot Disposal Trigger Event (such excluded proceeds being limited to USD 35,000,000), after deducting without double counting:

- (a) any reasonable expenses (including legal fees, agents’ commissions and auditors’ fees) incurred by the Group directly in connection with any such disposal of Slots;
- (b) any tax incurred and required to be paid or reserved for by any Group Company with respect to any such disposal of Slots; and
- (c) any deferred consideration (but only until received).

“**Excess Slot Disposal Proceeds Account**” means an account or a series of accounts of the Slot Owner, held with one or more banks and in such currencies as the Slot Owner sees fit, irrevocably pledged and blocked pursuant to the Excess Slot Disposal Proceeds Account Pledge.

“**Excess Slot Disposal Proceeds Account Pledge**” means the first priority account pledge over the Excess Slot Disposal Proceeds Account, made in favour of the Bond Trustee for the benefit of the Bondholders and the NAS07 Bondholders (*pari passu* and *pro rata* between them).

“**Intercompany Claim**” means any amount payable (whether actual or contingent and howsoever arising) by the Slot Owner towards any other Group Company in excess of USD 1,000,000, excluding any such amounts arising:

- (a) in relation to intra-group aircraft leasing; or
- (b) in the ordinary course of business on payment terms of no more than 30 (thirty) days.

“**Intragroup Services Agreements**” means any agreement between the Slot Owner and another Group Company for the intragroup sale, lease or transfer of goods or services (including, for the avoidance of doubt, provision of air operations services, crew or other personnel or infrastructure, intragroup Slot Usage Arrangements, leasing of aircraft and licensing of intangible assets, but excluding any intragroup financing arrangement).

“**NAN**” means Norwegian Air Norway AS, a company existing under the laws of Norway with registration number 912 084 949.

“**NAS07 Bondholders**” means the holders from time to time of the NAS07 Bonds.

“**NAS07 Bonds**” means the senior unsecured bonds issued under the NAS07 Bond Issue.

“**NAS07 Bond Agreement**” means the bond agreement in respect of the NAS07 Bond Issue dated 9 December 2015 (as amended).

“**NAS07 Bond Issue**” means the 7.25% Norwegian Air Shuttle ASA Senior Unsecured Bond Issue 2015/2019 with ISIN NO 001 0753437.

“**NAS07 Finance Documents**” shall have the meaning given to the term “Finance Documents” in the NAS07 Bond Agreement.

“**Operating Licence**” shall have the meaning given to such term in the EU Licencing Regulation.

“**Security Agent**” means the Bond Trustee, unless any other legal entity is appointed as collateral agent pursuant to Clause 17.4.

“**Security Documents**” means collectively, all the documents evidencing, creating or granting the Security Interests.

“**Security Interest**” means any Security created (or to be created) in favour of the Bond Trustee or the Security Agent to secure the obligations of the Issuer under any Finance Document, including but not limited to the following first priority security:

- (a) the Share Charge;
- (b) the Assignment of Intercompany Claims; and
- (c) the Excess Slot Disposal Proceeds Account Pledge.

“**Share Charge**” means the share charge granted by the owner of 100% (one hundred per cent.) of the shares in the Slot Owner over all such shares, together with, *inter alia*, letters of resignation (effective upon an Event of Default for which the Bond Trustee has issued a notice) (if legally possible) from all board members as well as a covenant to obtain letters of resignation from future board members.

“**Slot**” shall have the meaning given to such term in the Slot Regulation.

“**Slot Disposal Trigger Event**” means the time at which the Slot Owner has received cash proceeds in excess of USD 35,000,000 in aggregate arising from the sale, trade, swap or other disposal of its Slots, whether in one or more transactions after deducting without double counting:

- (a) any reasonable expenses (including legal fees, agents’ commissions and auditors’ fees) incurred by the Group directly in connection with any such disposal of Slots;
- (b) any tax incurred and required to be paid or reserved for by any Group Company with respect to any such disposal of Slots; and
- (c) any deferred consideration (but only until received).

“Slot Owner” means a limited liability company incorporated in Norway (or such other jurisdiction approved by the Bond Trustee) directly or indirectly owned by the Issuer which from time to time holds all the Slots of the Group at London Gatwick Airport and qualifies as an air carrier, the first Slot Owner being NAN and thereafter the Slot Owner being any Group Company designated as the Slot Owner from time to time by the Issuer and the Bond Trustee together (subject to conditions precedent as reasonably required by the Bond Trustee).

“Slot Owner Liquidity” means, with respect to the Slot Owner, the aggregate book value of freely available and unencumbered, except as encumbered by security provided hereunder, cash and cash equivalents.

“Slot Pool” shall have the meaning given to such term in the latest edition from time to time of the Worldwide Slot Guidelines published by IATA.

“Slot Regulation” means Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports, as amended by Regulation (EC) No 894/2002 of 27 May 2002, Regulation (EC) No 1554/2003 of 22 July 2003, Regulation (EC) No 793/2004 of 21 April 2004 and Regulation (EC) No 545/2009 of 18 June 2009 and as further amended from time to time.

“Slot Usage Arrangement” means any arrangement providing for the use of Slots held by the Slot Owner by any other Group Company or third party.

“Slot Valuation Report” means an independent third-party valuation report in respect of the Slots held by the Slot Owner, delivered by the Issuer to the Bond Trustee.

“Temporary Operating Licence” means a temporary licence issued by the relevant competent licensing authority pursuant to Article 9(1) of the EU Licencing Regulation to a “Community air carrier” as defined in Article 2(e) of the Slot Regulation.

- The following new clause 1.2(h) to be added:
 - (h) at any time after the United Kingdom has ceased to be a member of the European Union, all references to any particular institution of the European Union shall be deemed to refer to the equivalent institution or institutions in the United Kingdom which perform a similar function under English Law, and all references to the Slot Regulation or any other regulation, directive or other provision of law derived from the European Union shall be deemed to refer to the equivalent law in the United Kingdom which performs a similar function under English law.
- **Clause 8** (*Status of the Bonds and security*) to be deleted in its entirety and replaced with the following clause:

8 Status of the Bonds and security

8.1 Ranking and priority

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

8.2 *The Security*

- 8.2.1 The Security Interests shall secure with first priority, the Issuer's obligations under the Finance Documents, including but not limited to any amount outstanding under this Bond Agreement to the Bond Trustee and the Bondholders, including fees, interest, premium (whether payable in relation to the exercise of the Call Option or on the Maturity Date) and expenses.
- 8.2.2 The Issuer shall (at its own expense) ensure that the Security Documents are duly executed by the Issuer and any other security provider in favour of the Bond Trustee or the Security Agent and, as applicable, amended in accordance with this Bond Agreement and that the Security Documents, as amended, are legally valid, perfected, enforceable (subject to applicable hardening periods) and in full force and effect from the date on which they are to be delivered or amended under the terms of this Bond Agreement throughout the tenor of the Bonds and until all amounts payable in respect of the Bonds have been fully and finally repaid or paid or as otherwise permitted pursuant to this Bond Agreement. The Issuer shall (at its own expense) execute and procure the execution of such further documentation as the Bond Trustee may reasonably require in order for the Bondholders to at all times maintain the legal validity, perfection, enforceability and priority position of the Security Interests envisaged hereunder (subject only to any restrictions imposed by applicable law and it being understood that customary limitation language will be included if so required) including, without limitation, registration of such Security Interests with the appropriate registrar or authority in all applicable jurisdictions.
- 8.2.3 Notwithstanding any provision of this Agreement to the contrary, the Bond Trustee (on behalf of the Bondholders) hereby acknowledges that the Security Interests may secure with first priority the Issuer's obligations under the NAS07 Finance Documents, *pro rata* and *pari passu* with (and taken together with) the Issuer's obligations under the Finance Documents, and references in this Agreement to "first priority" shall be construed accordingly.

- The following new clause 10.4 (*Disposal of Slots*) to be added:

10.4 *Disposal of Slots*

- 10.4.1 From and including the time of the Slot Disposal Trigger Event, the Issuer shall procure that the Slot Owner shall:
- (a) upon receipt promptly credit the Slot Disposal Proceeds Account with any Excess Slot Disposal Proceeds; and
 - (b) only apply amounts standing to the credit of the Excess Slot Disposal Proceeds Account to redeem, *pro rata* between them, the Bonds and the NAS07 Bonds, at a price corresponding to the then prevailing Call Option price in respect of such Bonds or the NAS07 Bonds respectively.
- 10.4.2 For the avoidance of doubt and subject to Clause 10.4.1 above and Clause 13.5(f) (*Status of Slots*) below, nothing in this Agreement shall prohibit:
- (a) the disposal, transfer, lease, exchange or substitution of any Slots by the Slot Owner;
 - (b) any ad hoc or operational adjustments to timing of any such Slots or the temporary return of Slots to the Slot Pool; or

(c) any Slot Usage Arrangement

in each case in the course of reasonable management of the airline operations of the Group.

- The following new clause 13.2.1(j) to be added:

(j) at the request of the Bond Trustee, provide an overview of all personnel relevant to maintenance of the Slot Owner's Air Operator Certificate and Operating Licence.

- Clause 13.3(f) (*Arm's length transactions*) to be deleted in its entirety and replaced with the following clause:

(f) *Arm's length transactions*

The Issuer shall not, and shall procure that no other Group Company shall, enter into any transaction with any person including, *inter alia*, any arrangement with respect to any disposal, transfer, lease, exchange or substitution of any Slots, including any Slot Usage Arrangement, except on arm's length terms and for fair market value.

- The words "(other than the Slot Owner)" to be inserted immediately after the words "Group Company" in Clause 13.3(j) (*Financial Indebtedness*).
- Clause 13.3(k) (*Negative pledge*) to be deleted in its entirety and replaced with the following clause:

(k) *Negative pledge*

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over:

- (i) any shares in Arctic Aviation or any other direct Subsidiary of the Issuer;
- (ii) assets secured by the Security Interest; and
- (iii) the assets of the Slot Owner (including any Slots held by it), excluding any receivables arising in relation to intra-group aircraft leasing,

except for any Security arising under the Finance Documents.

- The following new Clause 13.3(l) (*No enforcement*) to be added as follows:

(l) *No enforcement*

The Issuer shall not, and shall procure that no other Group Company will, take or join any person in taking any steps (including any right of set-off) whatsoever against the Slot Owner for the purposes of obtaining payment of any amount whatsoever due from the Slot Owner to the Issuer or such other Group Company (as applicable) at any time when an Event of Default has occurred and has been notified in accordance with the provisions of Clause 15, save as required by the Bond Trustee or the Security Agent in connection with enforcement of the Security Documents.

- The following new Clause 13.5 (*Slot Owner Covenants*) to be added as follows:

13.5 *Slot Owner Covenants*

(a) *Business*

The Issuer shall procure that the Slot Owner will be a limited liability company incorporated in Norway (or such other jurisdiction as approved by the Bond Trustee), directly or indirectly owned by the Issuer with Slots being its main asset and otherwise operating in the ordinary course of its business.

(b) *Valuation*

The Issuer shall procure that the Slot Owner delivers to the Bond Trustee, no later than together with the Interim Accounts for the period ending 30 June, a Slot Valuation Report with reference to values on 30 June that year.

(c) *Status as an air carrier*

The Issuer shall:

- (i) procure that the Slot Owner shall comply with all requirements under applicable law necessary to maintain the Slot Owner's status as an "air carrier", and procure and maintain all consents and licences required in relation thereto; and
- (ii) promptly notify the Bond Trustee without delay of any suspension, revocation, or expiration of (and of any notice or warning of potential suspension or revocation of) such consents and licences with a plan to remedy the situation or dispose of the Slots for cash (in all material respects).

For the avoidance of doubt, the parties to this Agreement hereby acknowledge this Clause 13.5(c) (*Status as an air carrier*) shall not be breached as a result of any suspension, revocation, or expiration of (and of any notice or warning of potential suspension or revocation of) the Operating Licence of the Slot Owner, to the extent that:

- (iii) the Issuer has complied with (and continues to be in compliance with) Clause 13.5(d) (*Temporary Operating Licence*) below; and
- (iv) the Norwegian Civil Aviation Authority has not declined to grant a Temporary Operating Licence to the Slot Owner, or has not suspended, revoked or otherwise terminated a Temporary Operating Licence of the Slot Owner (other than in connection with replacement of such Temporary Operating Licence with an Operating Licence due to an improvement in the financial condition of the Slot Owner).

(d) *Temporary Operating Licence*

In the event that the Norwegian Civil Aviation Authority notifies the Slot Owner in writing of its intention to suspend, withdraw or revoke the Slot Owner's Operating Licence as a result of the financial performance of the Slot Owner and/or the Issuer no longer being satisfied that the Slot Owner can meet its actual and potential obligations for a twelve (12) month period, the Issuer shall procure that the Slot Owner promptly commences preparation of all necessary information and takes all necessary steps to apply to the Norwegian Civil Aviation Authority for a Temporary Operating Licence including, without limitation, an appropriate business plan and, in the event such business plan is approved by the Norwegian Civil Aviation Authority, procure that the Slot Owner implements such business plan.

(e) Intragroup Services Agreements

The Issuer shall procure that no Intragroup Services Agreement permits a Group Company (other than the Slot Owner) to terminate such agreement on less than three (3) months' prior written notice to the Slot Owner.

(f) Status of Slots

The Issuer shall procure that all Slots owned by the Group at London Gatwick Airport shall be held by the Slot Owner, and thereafter shall procure that the Slot Owner shall retain ownership of all such Slots at London Gatwick Airport, save that the Slot Owner may sell, trade, swap or otherwise dispose of any such Slots:

- (iv) for cash, provided that (from and including the time of the Slot Disposal Trigger Event) the proceeds thereof are applied in accordance with Clause 10.4.1 above;
- (v) on a temporary basis in the course of reasonable management of the airline operations of the Group; or
- (vi) for consideration comprising Slots on an airport other than London Gatwick Airport, provided that such disposal would not cause the Slot Owner to own Slots at London Gatwick Airport with an aggregate fair market value of less than 80% of the aggregate fair market value of Slots at London Gatwick Airport owned by it at the time of and by reference to the first-delivered Slot Valuation Report.

(g) Slot Owner Financial Indebtedness

The Issuer shall procure that the Slot Owner does not incur or permit to remain outstanding any Financial Indebtedness (whether secured or unsecured, actual or contingent) other than:

- (i) amounts arising in relation to intra-group aircraft leasing; and
- (ii) Intercompany Claims.

(h) Minimum liquidity

The Issuer shall procure that the Slot Owner at all times maintains Slot Owner Liquidity of no less than USD 2,000,000 (not including cash in the Excess Slot Disposal Proceeds Account).

- Clauses 14.1 to 14.3 (*Fees and expenses*) inclusive to be deleted in their entirety and replaced with the following clauses:

- 14.1 The Issuer shall cover all costs and expenses incurred by it or the Bond Trustee (and/or the Security Agent) in connection with this Bond Agreement and the fulfilment of its obligations under this Bond Agreement or any other Finance Document, including in connection with the negotiation, preparation, execution and enforcement of this Bond Agreement and the other Finance Documents and any registration or notifications relating thereto (including any stamp duty), the listing of the Bonds on an Exchange (if applicable), and the registration and administration of the Bonds in the Securities Depository. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Security under a Finance Document, to setoff and cover any such costs and expenses.

14.2 The fees, costs and expenses payable to the Bond Trustee (and/or the Security Agent) shall be paid by the Issuer and are set out in a separate agreement between the Issuer and the Bond Trustee (and/or the Security Agent).

14.3 Fees, costs and expenses payable to the Bond Trustee (or the Security Agent) which, due to the Issuer's insolvency or similar circumstances, are not reimbursed in any other way may be covered by making an equivalent reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection with the restructuring or default of the Bond Issue and the enforcement of any Security.

- The following new Clause 15.5 to be added:

15.5 Notwithstanding any provision of the Finance Documents to the contrary, the Bond Trustee (on behalf of the Bondholders) hereby acknowledges and agrees that any and all proceeds received or recovered by the Bond Trustee in its capacity as collateral agent as a result of enforcement of the Security Documents shall be applied in or towards payment *pro rata* between the Bonds and the NAS07 Bonds, based on the outstanding principal amount of such bonds from time to time, for further application in accordance with the respective bond agreements of such bonds.

- The following new Clause 17.4 (*Security Agent*) to be added:

17.4 *Security Agent*

17.4.1 The Bond Trustee is appointed to act as Security Agent for the Bond Issue, unless any other person is appointed. The main functions of the Security Agent may include holding the Security Interest on behalf of the Bondholders and monitoring compliance by the Issuer and other relevant parties of their respective obligations under this Bond Agreement and/or the Security Documents with respect to the Security made available to it pursuant to the Finance Documents.

17.4.2 The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Security Interest in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.

17.4.3 Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.

17.4.4 The functions, rights and obligations of the Security Agent may be determined by a Security Agent agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other parties to any Security Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent agreement has been entered into.

17.4.5 The provisions set out in Clause 17.2 (*Liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

- Clause 18.2.2(d) (*Bond Defeasance*) to be deleted in its entirety and replaced with the following:
 - (d) any Security other than the Defeasance Security shall be discharged (to the extent that such Security is no longer required to be maintained due to any provision of the NAS07 Finance Documents); and

Appendix 5

Conditions for Effective Date

1. Receipt by the Bond Trustee of the following, in form and substance reasonably satisfactory to it:
 - (a) any amendments to any Finance Document (as defined in the Bond Terms), in each case duly executed by all parties thereto, which the Bond Trustee in its sole discretion finds necessary in relation to the amendments contained herein, to be signed by the Bond Trustee and the Issuer (as well as any other person being a party to any document creating a security interest in favour of the Bond Trustee or the Security Agent, if required by the Bond Trustee);
 - (b) any legal opinions as may reasonably be required by the Bond Trustee in relation to due execution by the parties to the Bond Terms of any documentation in relation to the amendments proposed herein;
 - (c) all necessary corporate resolutions of the Issuer (and any other parties as required by the Bond Trustee under item (a) above) having been duly made and delivered to the Bond Trustee, together with such directors'/officers' certificate, in each case in such form and substance as the Bond Trustee may reasonably require;
 - (d) confirmation in writing from the Issuer that, after giving effect to amendments contained herein, no Event of Default will be outstanding or is likely to occur as a result of such amendments, including supporting documentation as reasonably required by the Bond Trustee in relation thereto;
 - (e) the Security Documents, as defined in the Bond Terms, duly executed and the security perfected (subject to applicable hardening periods);
 - (f) evidence that the Slot Owner owns in aggregate Slots on London Gatwick Airport in respect of which an independent third party valuation (from no earlier than 31 July 2019) of at least USD 380,000,000 has been obtained, it being agreed that such evidence shall be, in respect of each such Slot:
 - a. a copy of the relevant slot transfer agreement; and
 - b. notification to ACL of the transfer of such Slot to the Slot Owner;
 - (g) a copy of each slot usage agreement between the Slot Owner and any other members of the Group;
 - (h) with respect to any person who is of material importance to maintenance of the Air Operator Certificate and/or Operating Licence of the Slot Owner ("**Key Personnel**"), a certificate from the Issuer including an overview of all Key Personnel and certifying that:
 - a. no employment agreement between the Slot Owner and Key Personnel, and
 - b. no Intragroup Services Agreement relating to Key Personnel
 provides for termination on less than 3 months' notice;
 - (i) a copy of the lease agreement entered into with respect to the lease by the Slot Owner of at least one aircraft;
 - (j) copies of all consents and licences required to maintain the Slot Owner's status as an "air carrier" pursuant to applicable law;
 - (k) a copy of any Intragroup Services Agreement;
2. Approval by the bondholders' meetings of NAS07 and NAS08 of an amendment in the form set out in Appendix 3 and Appendix 4 hereto, respectively.
3. The amendment fee having been paid no later than the date falling 10 business days after the date on which the amendment had been approved in both NAS07 and NAS08.