

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

**To the bondholders in:**

**ISIN: NO 001 0805427 - 15 per cent. NSA Bondco Limited Unsecured Callable Open Bond Issue 2017/2020**

Oslo, 30 November 2018

**REQUEST FOR A WRITTEN BONDHOLDERS' RESOLUTIONS – PROPOSAL TO AMEND THE SUPER SENIOR 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 27 September 2017 (the "**Super Senior 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 Super Senior Bond Agreement to consider the approval of the Proposed Resolution, 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**

The Issuer initially issued USD 6,000,000 of Bonds pursuant to the Super Senior Bond Agreement, and pursuant to a Tap Issue Addendum dated 4 July 2018 an additional USD 4,000,000 of Bonds were issued, and the maximum borrowing limit under the Super Senior Bond Agreement has been utilised to finance the operations of the Vessel and the general corporate purposes of the Issuer.

There are continuing funding requirements relating to the Vessel including, without limitation, to finance the dry dock process and other essential payments relating to the Vessel which are falling due at the end of 2018 and the beginning of 2019. In order to meet these funding requirements, the Issuer is contemplating raising additional funds to finance the operations of the Vessel and the Issuer's general corporate purposes going forward.

After consulting with the Advisory Committee, the Issuer is proposing to increase the maximum issue amount available under the Super Senior Bond Agreement from USD 10,000,000 to USD 25,000,000 enabling the Issuer to issue additional Bonds thereunder in several smaller tranches.

The Bonds are unsecured, however, they are subject to the intercreditor agreement dated 27 September 2017 (the "**Intercreditor Agreement**") entered into between the Bond Trustee and Nordic

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Trustee AS (in its capacity as the bond trustee for the Existing Bonds (as defined in the Super Senior Bond Agreement)), which provides, inter alia, that any proceeds (including enforcement proceeds) received by Nordic Trustee AS with respect to the Existing Bonds, or any other amounts payable with respect to the Existing Bonds, shall first be applied in repayment of the super senior Bonds until such time they have been paid in full (including all interest accrued thereon).

Subject to the increase of the maximum issue amount and the amendments to the Super Senior Bond Agreement as described in Section 2 (*The Proposal*) below being approved by a requisite majority of (i) the Bondholders and (ii) the holders of the Existing Bonds, the Issuer proposes to Issue additional Tap Bonds in a Tap Issue of USD 8,000,000 pursuant to the provisions of Clause 2.2 of the Super Senior Bond Agreement (as amended by the Amendment Agreement (as defined below)).

## **2. THE PROPOSAL**

### **2.1 Amendment to the Super Senior Bond Agreement**

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

The first paragraph of Clause 2.2 (The Bonds) shall be amended to reflect the increase in the Maximum Issue Amount thereunder, and the amount of Bonds issued to date, and shall read:

*"The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 25,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates. The Initial Bond Issue was in the amount of USD 6,000,000, and increased by a Tap Issue in the amount of USD 4,000,000 pursuant to the Tap Issue Addendum dated 4 July 2018 (together with the Initial Bond Issue the "**Current Bond Issue**"). The Issuer may, at any time prior to the Maturity Date and provided that the conditions set out in Clause 6.4 (Tap Issues) are met, at one or more occasions issue Tap Bonds (each a "**Tap Issue**") until the Face Value of all Tap Bonds equals in aggregate the Maximum Issue Amount less the Current Bond Issue. Each Bondholder shall have the right of first refusal to participate in the Tap Issue in respect of (i) a pro-rata allocation of the Tap Issue and (ii) an allocation of the Tap Issue not otherwise taken up (on a pro-rata basis). Each Tap Issue will be subject to identical terms (including but not limited to voting, ranking, security and distributions) as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in this Bond Agreement, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Face Value. The Bond Trustee shall prepare an addendum to this Bond Agreement evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**")."*

The amendments will be implemented by an amendment agreement no 1 to the Super Senior Bond Agreement to be entered into by the Issuer and the Bond Trustee (the "**Amendment Agreement**") and shall, subject to satisfaction of the conditions precedent set forth in the amendment agreement, become effective upon execution of the Amendment Agreement.

### **2.2 Notice of conditional issue of additional Tap Bonds**

Subject to the Proposed Resolutions (as defined below) being adopted by a requisite majority of the Bondholders, the Issuer hereby notifies the Bondholders of its intent to issue additional Tap Bonds in

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the amount of USD 8,000,000 pursuant to Clause 2.2 of the Super Senior Bond Agreement (as amended by the Amendment Agreement).

According to Clause 2.2 of the Super Senior Bond Agreement, each Bondholder as at the first day of the subscription period shall have the right to participate in the Tap Issue in respect of (i) a pro rata allocation of the Tap Issue and (ii) an allocation of the Tap Issue not otherwise taken up (on a pro rata basis) (the “Preferred Allocation Right”).

Such Preferred Allocation Right is valid only on the condition that the Bondholders provide evidence of their current holdings of Bonds, and that subscriptions are delivered timely and otherwise in accordance with the terms of such Tap Issue.

Any Bondholder that wishes to participate in the contemplated Tap Issue is requested to contact any of the persons in Arctic Securities AS (the “Manager”) mentioned below as soon as possible and in any event no later than 12 noon (Oslo time) on 7 December 2018. In order to exercise its Preferred Allocation Right, Bondholders will be required to provide evidence of its holding of Bonds as at 3 December 2018 (being the first day of the subscription period for the contemplated Tap Issue) in the form of transcript of its holding from the Securities Depository (VPS) or prime broker duly legible, or other evidence of holding in the form of screen shot or custodian letter.

The settlement date for the additional Tap Issue is expected to be on or about 12 December 2018.

**Contacts:**

Any questions related to the contemplated Tap Issue can be directed to the Manager:

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**2.3 The Proposed Resolution**

The Issuer requests that the Bondholders adopt the following resolutions (the “Proposed Resolutions”):

- A. *approve the increase of the maximum issue amount under the Super Senior Bond Agreement from USD 10,000,000 to USD 25,000,000.*
- B. *approve the Amendments.*
- C. *subject to approval of A and B above, approve the issue additional Tap Bonds in the amount of USD 8,000,000 pursuant to Clause 2.2 of the Super Senior Bond Agreement.*
- D. *authorise and instruct the Bond Trustee to negotiate, agree, enter into and deliver the Amendment Agreement implementing the Amendments.*
- E. *authorise and instruct the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the Proposed Resolutions, including without limitation to prepare, finalise and enter into the necessary agreements and other documentation deemed appropriate in connection with the increase of the maximum issue amount under the Super Senior Bond Agreement and issue the additional Tap Bonds, and for and on behalf of the Bondholders, take such further actions and negotiate, agree, enter into,*

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*sign and execute such agreements and documents that are required to complete and give effect to the Proposed Resolutions.*

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

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

**3. Non reliance**

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 Super Senior 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 7 December 2018 at 13:00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of clause 16.5 of the Super Senior 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 2/3 of the Voting Bonds pursuant to clause 16.3.4 of the Super Senior 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. Bredesen

Enclosed: Written Bondholders' resolution

## Written Bondholders' resolution

**ISIN: NO 001 0805427 - 15 per cent. NSA Bondco Limited Unsecured Callable Open Bond Issue 2017/2020**

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 30 November 2018:

☐ **In favour** of the Proposed Resolutions

☐ **Against** the Proposed Resolutions

ISIN <b>ISIN NO 001 0805427</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.

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Place, date

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Authorised signature

### Return:

Nordic Trustee AS  
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N-0116 Oslo

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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.