

Stockholm, 15 January 2018

To the Holders in:

ISIN SE0007783840 – West Atlantic AB (publ) maximum SEK 1,350,000,000 Senior Secured Callable Fixed Rate Bonds 2015/2019

NOTICE OF WRITTEN PROCEDURE – REQUEST FOR APPROVAL OF AMENDMENTS AND WAIVERS

This voting request for procedure in writing has been sent on 15 January 2018 to bondholders directly registered in the debt register (Sw. *skuldbok*) kept by the CSD. If you are a nominee under the Central Securities Depositories and Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the bondholder you represent as soon as possible. For further information, please see below under Section 4.3 (*Voting rights and authorisation*).

Nordic Trustee & Agency AB (publ) acts as agent and security trustee (the "Trustee") for the bondholders of the bonds (the "Holders") in the abovementioned bond issue with ISIN SE0007783840 (the "Bonds") issued by West Atlantic AB (publ) (the "Issuer"). In its capacity as Trustee, and as requested by the Issuer, the Trustee hereby convenes the Holders to a Written Procedure whereby Holders can vote for or against the Request (as defined below).

All capitalised terms used herein and not otherwise defined in this notice (the "Notice") shall have the meanings assigned to them in the terms and conditions for the Bonds (the "Terms and Conditions").

Holders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "Voting Form"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "Power of Attorney") (in accordance with the instructions set out in Section 4.4 (*Bonds registered with a nominee*)) to the Trustee). Please contact the securities firm through which you hold your Bonds if you do not know how your Bonds are registered or if you require authorisation or other assistance to participate.

The Trustee must be in receipt of the Voting Form no later than by 17:00 (CET) on 1 February 2018 either by regular mail, courier or e-mail to the Trustee using the contact details set out in Section 4.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Holder on 26 January 2018 (the "Record Date"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to one or several Bonds.

1. Background

Reference is made to the Issuer's press release dated 29 December 2017 announcing the outcome of the written procedure initiated on 8 December 2017. Over the past weeks, the management of the Issuer has continued to work on a comprehensive plan to (i) improve the Group's financial position and (ii) put the Group on a path towards sustainable and profitable long-term growth. As part of these efforts, a number of initiatives have been identified which would support management in delivering on this plan. These initiatives, together with the corresponding required amendments and waivers to the Terms and Conditions and the other Finance Documents are set out in the following sections.

A committee comprising of a group of larger bondholders (the "**Holders Committee**") has been made privy to the information set out in this document and has undertaken to vote in favour of the proposed amendments and waivers. In this Notice, the Issuer is making public the material information previously provided to the Holders Committee.

The approval of the proposed amendments and waivers set forth below will have a positive impact on the liquidity of the Group as liquidity will be released and be used in a more efficient way and thereby contribute to capital growth opportunities. As part of the capital growth, the Issuer has informed the Holders Committee that it has signed a letter of intent for a 5 year contract which give rise to estimated annual sales of more than MSEK 200 once fully implemented, and the contemplated transaction intends to provide all prerequisites for a good start for the Issuer's latest addition in its service offering to the market with the new aircraft type B737-800.

Moreover, as previously communicated, during Q4 2017 and Q1 2018 the Group expects to receive a total amount of approximately MSEK 70 from the sale of aircraft not required for the Group's daily operations, including from the Group's collaboration agreement portfolio. During Q4 2017, the Group received a payment in the amount of MSEK 15 from one aircraft transaction. The second transaction, initially scheduled for Q4 2017, has been delayed and is expected to be completed during Q1 2018.

Background to the proposed amendments and waivers

The Group currently maintains a working capital facility with Svenska Handelsbanken in a maximum amount of MSEK 75 (the "**Working Capital Facility**") used for the Group's day-to-day business. The Working Capital Facility matures in January 2018 and Svenska Handelsbanken has informed the Issuer that it will prolong the Working Capital Facility if the bank may share the transaction security provided for the Bonds (the "**Transaction Security**"), with first priority ranking in the waterfall up to a maximum amount of MSEK 75. In the view of management, the Working Capital Facility is important in ensuring that the day-to-day liquidity requirements of the Group are met, and it is deemed that attempting to secure a new working capital facility from another bank on short notice could pose a considerable challenge. It is therefore requested that the Holders permit Svenska Handelsbanken or another or several reputable bank or banks, including a reputable bank replacing such bank(s), (as provider of the Working Capital Facility) (the "**Bank**"), to share the Transaction Security, with such arrangement to be regulated by an intercreditor agreement, subordination agreement or similar, where the Bank will rank ahead in the waterfall, however only up to a maximum amount of MSEK 75.

Furthermore, in its review, management has identified a number of Bond-related Aircraft of the model BAE-ATP which are either under-utilised or have been parked for a long period of time (the "**Under-utilised Aircraft**"). These aircraft give rise to considerable costs for the Group (approximately KSEK 500 per aircraft per annum). Without generating

any revenues, management has concluded that the most reasonable course of action concerning some of these aircraft would be to dismantle them and use them for spare parts to support the remainder of the Group's fleet as the Group recently parked another 5 ATP aircraft due to the early termination of the contract in Norway from the customer. Under the Terms and Conditions, such dismantling is permitted provided that the Incurrence Test is fulfilled and that an amount corresponding to the fair market value of the relevant aircraft is transferred to a pledged Deposit Account. However, transferring an amount equivalent to the fair market value of the Under-Utilised Aircraft would, in management's view, have a detrimental effect on the Group's liquidity. In fact, management estimates that the Group could realise a cost saving of MSEK 3 per annum if it were to dismantle up to 6 of the Under-utilised Aircraft and deploy the spare parts in the Group's existing fleet operations without having to transfer a corresponding fair market value amount to the pledged Deposit Account. The Group would also over a 2-3 year period realise liquidity savings of MSEK 5-10 per dismantled aircraft by using the spare parts derived from the aforementioned dismantling in the Group's operations instead of having to repair, overhaul or purchase similar spare parts from external vendors. It is therefore requested that the Holders agree to waive the requirement to fulfil the Incurrence Test in conjunction with a dismantling of up to 6 Bond-related Aircraft as well as the requirement to pay an amount corresponding to the fair market value of such dismantled Bond-related Aircraft into the pledged Deposit Account.

Finally, in connection with the initial issuance of the Bonds, an amount of MSEK 150 was left on the pledged Escrow Account and earmarked for the purchase of New Aircraft. As at the time of this document, approximately MSEK 134 has been allocated towards purchasing said aircraft. There is hence a residual amount of approximately MSEK 16 standing on the pledged Escrow Account (the "**Remaining Escrow Amount**"). In the view of management, these funds should be allocated towards funding the business growth of the Group rather than being invested into New Aircraft or Additional Aircraft. As elaborated on in previous communications to Holders, management has identified a range of tangible growth opportunities, both with existing as well as with new customers, the realisation of which is made impossible by the Group's current constrained liquidity situation. It is therefore requested that the Holders agree to waive the requirement to allocate the Remaining Escrow Amount towards New Aircraft or Additional Aircraft and permit said funds to be invested into the Group's operations at the discretion of management, *inter alia* in relation to the new B737-800 fleet.

Provided that the Holders agree to the proposed amendments and waivers, certain shareholders of the Group have undertaken to contribute to the Group equity in an amount of MSEK 25 (the "**Equity Contribution**"). The Equity Contribution will be made as soon as practically possible following completion of the Written Procedure and approved amendments and waivers. Moreover, the Issuer will continue the work in Q1 2018 to find a new long-term majority owner.

2. Proposal

2.1 Amendments and waivers to the Terms and Conditions and the other Finance Documents (as applicable)

As described in the background above, the Issuer proposes that the Holders agree to the following amendments and waivers:

- (i) To permit the Bank to share the Transaction Security with the Holders (in whole or in part, as agreed with the applicable Bank), such arrangement to be regulated by an intercreditor agreement, subordination agreement or

similar where the Bank will rank ahead in the waterfall up to a maximum amount of MSEK 75. Moreover, that the Holders agree to any amendments to the Finance Document (and thereto related documents) necessary in order to reflect the priority right of the Bank and agree to give authorisation to the Trustee to agree on and enter into such amended terms on behalf of the Holders. The Holders further agree that the intercreditor agreement (subordination agreement or similar) shall be entered into on standard terms for such agreement but be finally negotiated, in good faith, between the Trustee (where the Trustee may (but is not obliged to) obtain the Holders Committee's approval on such agreement), the Bank and the relevant Group Companies. The terms of the intercreditor agreement (subordination agreement or similar) shall include that the Holders (and not the Bank) as the largest creditors of the Issuer, have the right to give enforcement instructions relating to the Transaction Security. In addition, the Working Capital Facility definition shall be amended so that such working capital facility, which is a Permitted Debt under the Terms and Conditions, may be provided to the Group only from reputable bank(s). The Holders acknowledge and agree that the Trustee may also act as security trustee on behalf of the Bank.

- (ii) To approve to dismantle up to 6 Under-Used Aircrafts of which 4 of them are MSN 2014, 2042, 2051 and 2054, and thereby in relation to these 6 aircraft, agree to waive the conditions set forth in Clause 12.5 of the Terms and Conditions which *inter alia* means no requirement to fulfil the Incurrence Test, that the fair market value of the relevant aircraft does not have to be paid to the Deposit Account and that the Trustee shall, prior to dismantling any of the 4 specified aircraft, release the pledge over the relevant aircraft upon the Issuer's request, and in relation to the release of the 2 unspecified aircraft, the Trustee shall act in accordance with the last paragraph in Clause 12.5 of the Terms and Conditions.
- (iii) To approve to release the Remaining Escrow Amount from the Escrow Account, and thereby waive the requirements set forth in Clauses 13.1 and 13.2 of the Terms and Conditions, which means that the amount does not need to be used for purchase of any New Aircraft or Additional Aircraft and that the amount therefore may be immediately released from the Escrow Account to instead be used to finance the business growth of the Group, *inter alia* in relation to the new B737-800 fleet.

2.2 Consent to the request

The Holders are hereby requested to approve the amendments and waivers referred to in Section 2.1 above (the “Request”).

2.3 Effective Date

The Request shall be deemed approved immediately upon expiry of the voting period and receipt of the required majority as set forth in Section 4.6 or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Trustee, provided that the Equity Contribution has occurred (or if such Equity Contribution should occur after the voting period, the Request shall be deemed to be approved upon such Equity Contribution).

The Trustee will in accordance with the Terms and Conditions notify the Holders of the date from which the amendments and the waivers of the Terms and Conditions and the other Finance Documents become effective.

3. Non-reliance

The Request is presented to the Holders without any evaluation, advice or recommendations from the Trustee whatsoever. The Trustee has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Holders and the Trustee expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Holders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.

4. Written Procedure

The following instructions need to be adhered to under the Written Procedure.

4.1 Final date to participate in the Written Procedure

The Trustee must have received the votes by regular mail, courier or e-mail to the address indicated below no later than 17:00 (CET) on 1 February 2018. Votes received thereafter may be disregarded.

4.2 Decision procedure

The Trustee will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount has been received by the Trustee, the Request shall be deemed to have been adopted, even if the time period for replies in the Written Procedure has not yet expired, subject to the Equity Contribution having occurred as described in Section 2.3.

Information about the decision(s) taken under the Written Procedure will (i) be sent by notice to the Holders and (ii) be published on the websites of the Issuer and the Trustee. The information will also be published in a press release.

A matter decided under the Written Procedure will be binding for all Holders, irrespective of them responding in the Written Procedure.

4.3 Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must, on the Record Date 26 January 2018, be registered in the Issuer's debt register as:

- (a) a direct registered owner of a Securities Account; or
- (b) a nominee in a Securities Account, with respect to one or several Bonds.

4.4 Bonds registered with a nominee

If you are not registered as a direct registered owner, but your Bonds are held through a registered nominee or another intermediary, you may have two different options to influence the voting for the Bonds.

- (1) You can ask the nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.
- (2) You can obtain a Power of Attorney (Schedule 2) from the nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Holder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a holder of the Securities Account as nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Trustee recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates do not entitle to any voting rights.

4.5 Quorum

In order to form a quorum, Holders representing at least twenty (20.00) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure.

If a quorum does not exist, the Trustee or the Issuer shall initiate a second Written Procedure, provided that the Issuer has confirmed that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

4.6 Majority

To approve the Request, at least two-thirds (2/3) of the Adjusted Nominal Amount for which Holders reply in the Written Procedure must consent to the Request.

4.7 Address for sending replies

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2, by regular mail, scanned copy by e-mail, or by courier to:

By regular mail:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure/WA
P.O. Box 7329
SE-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure/WA
Norrandsgatan 23
SE-111 43 Stockholm

By e-mail:

E-mail: sweden@nordictrustee.com

5. Further information

For questions regarding the administration of the Written Procedure, please contact the Trustee at sweden@nordictrustee.com or +46 8 783 79 00.

Stockholm, 15 January 2018

NORDIC TRUSTEE & AGENCY AB (PUBL)

As Trustee

Enclosed:

Schedule 1	Voting Form
Schedule 2	Power of Attorney/Authorisation

VOTING FORM

Schedule 1

For the Written Procedure in West Atlantic AB (publ) maximum SEK 1,350,000,000 senior secured callable fixed rate bonds 2015/2019 with ISIN SE0007783840.

The undersigned Holder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below.

NOTE: *If the Voting Person is not registered as Holder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.*

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure from West Atlantic AB (publ) dated 15 January 2018.

☐ **For** the Request

☐ **Against** the Request

Name of the Voting Person:

Capacity of the Voting Person:

Holder:

☐

¹

authorised person:

☐

²

Voting Person's reg.no/id.no
and country of incorporation/domicile:

Securities Account number at Euroclear Sweden:
(if applicable)

Name and Securities Account number of custodian(s):
(if applicable)

Nominal Amount voted for (in SEK):

Contact person, daytime telephone number and e-mail adress:

Authorised signature and Name ³

Place, date:

¹ When voting in this capacity, no further evidence is required.

² When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Holder or other proof of authorisation showing the number of votes held on the Record Date (as defined in the Notice of Written Procedure from West Atlantic AB (publ) dated 15 January 2018).

³ If the undersigned is not a Holder according to the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Holder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

POWER OF ATTORNEY/AUTHORISATION

Schedule 2

For the Written Procedure in West Atlantic AB (publ) maximum SEK 1,350,000,000 senior secured callable fixed rate bonds 2015/2019 with ISIN SE0007783840.

NOTE: This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Holder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Holder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Holder.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure from West Atlantic AB (publ) dated 15 January 2018.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

Name of Holder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK _____

We are:

☐

Registered as Holder on the Securities Account

☐

Other intermediary and holds the Bonds through (specify below):

Place, date: _____

Name:

Authorised signature of Holder/other intermediary (Sw. *fullmaktsgivaren*)