

Stockholm, 15 April 2019

To the bondholders in:

ISIN SE0007783840 – West Atlantic AB (publ) maximum SEK 1,350,000,000 (of which SEK 850,000,000 is currently outstanding) Senior Secured Callable Fixed Rate Bonds 2015/2019

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

This voting request for procedure in writing has been sent on 15 April 2019 to bondholders directly registered in the debt register (Sw. *skuldboken*) kept by the CSD. If you are a nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) 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 6.3 (*Voting rights and authorisation*).

Key information:

Record Date for being eligible to vote:	23 April 2019
Deadline for voting:	17:00 7 May 2019
Quorum requirement:	At least twenty (20) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least two thirds (2/3) of the Adjusted Nominal Amount

Nordic Trustee & Agency AB (publ) acts as agent and security agent (the "**Trustee**") for the holders of bonds (the "**Holders**") in the abovementioned bond issue with ISIN SE0007783840 (the "**Existing Bonds**") issued by West Atlantic AB (publ) (the "**Company**" and together with its direct and indirect subsidiaries, the "**Group**" or "**West Atlantic**"). In its capacity as agent, and as requested by the Company, in agreement with representatives of certain beneficial owners (the "**Holders Committee**"),¹ the Trustee hereby convenes the Holders to a written procedure (the "**Written Procedure**") in which 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 Existing Bonds, as amended and restated on 27 August 2018 (the "**Terms and Conditions**").

¹ The Holders Committee consists of Alfred Berg Kapitalforvaltning AS represented by Tom Hestnes, Carnegie Fonder AB represented by Niklas Edman and Mandatum Life, represented by Kristian Nihtilä.

Holders may 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 6.4 (*Existing Bonds registered with a nominee*)) to the Trustee). Please contact the securities firm through which you hold your Existing Bonds if you do not know how your Existing 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 (CEST) on 7 May 2019 either by regular mail, courier or e-mail to the Trustee using the contact details set out in Section 6.7 (*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 23 April 2019 (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 Existing Bonds.

1. Background, Transaction overview etc.

In order to improve the Company's financial situation, to refinance the Group and to be able to repay the Existing Bonds, the Company has accepted an offer received from LUSAT AIR S.L. ("**LUSAT**"). LUSAT is a Spanish holding company owning *inter alia* the Spanish airline Swiftair managing both passenger and cargo flights which has a fleet consisting of 26 ATR aircraft of which 17 are cargo aircraft. In addition Swiftair's fleet consist of 10 Boeing 737, 5 Boeing 757 and 10 Embraer 120 Brasilia aircraft, all configured for cargo flights.

As communicated by the Company in a press release dated 18 March 2019, discussions have taken place between the Company, its shareholders, being the "**European Shareholders**"² and ATSG West Limited ("**ATSG**"), and the Holders Committee. As a result of these discussions, the aforesaid parties entered into a memorandum of understanding on 8 April 2019, setting out the principal terms and conditions for the contemplated restructuring of the Company's ownership and financing structure, with the aim of fully repaying the Company's Existing Bonds as further described herein (the "**Transaction**").

The Transaction is described in detail in Sections 2.1.1-2.1.7 below and will be completed when all such actions have been finalised and upon approval by the required majority of the Holders in this Written Procedure.

In brief, the Transaction entails the following: An equity contribution in the amount of EUR 20 million (or its equivalent in SEK) (the "**Equity Contribution**") will be made from LUSAT as an initial step in a process by which LUSAT on 10 April 2019 received newly issued ordinary shares in the Company and thereby became the majority shareholder. In connection therewith, LUSAT, the European Shareholders and ATSG will enter into an acquisition agreement regarding the purchase by LUSAT of all shares in the Company held by the European Shareholders and ATSG (the "**Acquisition Agreement**"). The newly issued ordinary shares to LUSAT, the acquisition by LUSAT of the European Shareholders and ATSG's shares, and consequently the Equity Contribution, as described below, are all conditional upon the Holders' approval of the Request.

Following approval of the Transaction by the Holders, the Company will amortise the Existing Bonds in an amount of EUR 10 million (or the equivalent amount in SEK) (the "**Amortisation**"). The remaining claim under the Existing Bonds (together with any accrued but unpaid interest under the Existing Bonds) will, following the amortisation, be transferred to a special purpose vehicle (the "**SPV**")³ in conjunction with which the SPV will issue a new bond by way of a mandatory exchange of the Existing Bonds (the "**New Bond**"). The SPV entity will accede certain assets, *inter alia* ATP aircraft, the ATP warehouse of the Company, rights to payments under certain lease agreements and certain Boeing 737-400, Boeing 737-300 and CRJ. These latter aircraft will be repurchased by LUSAT in close connection to the Transaction against a consideration of EUR 25 million, which in turn will be used to amortise the New Bond. Due to registration costs and time aspects, which are currently under evaluation, the purchase by LUSAT of the aforementioned aircraft might be made directly from West Atlantic. In this scenario, West Atlantic will as soon as practically possible transfer the consideration to the SPV where it will be used to amortise the New

² The "**European Shareholders**" means Göran Berglund, Gustaf Thureborn, Tony Auld, Russell Ladkin, Atlantic Holdings Ltd. and Nigel Hiorns, collectively.

³ Such entity could either be a new established company or an existing subsidiary in West Atlantic transferred to the holdings of the bondholders.

Bond. As an alternative West Atlantic may use the EUR 25 million to amortise the Existing Bonds.

The SPV will as soon as practically possible initiate a selling process as regards the ATP fleet, the amounts from which will be used to amortise under the New Bond. The New Bond will have a tenor of three years. In the event the Holders have not be fully repaid with proceeds from the assets transferred to the SPV at the end of the tenor of the New Bond, the Holders will have a right to LUSAT's purchase price for the European Shareholders' and ATSG's shares, which amounts to approximately SEK 270 million (subject to any reduction should the Company breach any guarantee or warranty set out in the Acquisition Agreement with LUSAT) up to such remaining amount. The maturity date of the New Bond will then be prolonged with approximately an additional year to correspond with the date for the payment of the purchase price for the European Shareholders' and ATSG's shares set out in the Acquisition Agreement. Any surplus funds remaining in the SPV following repayment in full of the New Bond shall be considered an additional consideration under the Acquisition Agreement and shall be paid to the European Shareholders and ATSG in accordance with their respective shareholdings in the Company, corresponding to their *pro rata* share of the Company's share capital immediately prior to the issue date of the new ordinary shares to LUSAT.

Following completion of the Transaction, the Company will have no debt outstanding in relation to the Holders, neither in the form of principal nor interest, as such debt will have been transferred to the SPV.

In order to approve the Transaction, the Holders are requested to agree to the proposals outlined herein and as set out in Section 3 (the "**Request**").

The Holders Committee, representing approximately 32 per cent. of the Adjusted Nominal Amount, has informed the Trustee that it has undertaken to vote in favour of the Request.

2. Proposals

2.1 The Transaction

2.1.1 Equity contribution

At an extraordinary general meeting held on 6 April 2019, the European Shareholders and ATSG resolved to issue new ordinary shares for subscription by LUSAT in an amount of EUR 20 million (corresponding to approximately SEK 205 million) (the "**Equity Contribution**"). On 10 April 2019, LUSAT subscribed for the newly issued shares and has committed to, before 24 April 2019, deposit the Equity Contribution into a pledged deposit account, from which it will be released following approval by the Holders of the Transaction.

The Equity Contribution will be allocated as follows: (i) a SEK equivalent amount of EUR 10 million will be used to partially repay the Existing Bonds *pro rata*, (ii) a SEK equivalent amount of EUR 5 million will be used to address immediate cash flow needs in the Company and (iii) a SEK equivalent amount of EUR 5 million will be used to set up a reserve to partially cover return costs incurred by the Company in returning aircraft currently held on operating leases.

The subscription of shares by LUSAT and the registration of LUSAT in the Company's share register give rise to a Change of Control Event under the Terms and Conditions of the Existing Bonds, giving the Holders the right to use their put option whereby the Issuer has

an obligation to repurchase such Existing Bonds at a price of 101.00 per. cent. The Trustee has agreed to temporarily waive the Change of Control Event clause until the earlier of (i) the Transaction being approved or rejected by the Holders and (ii) 15 May 2019, with the effect that the Holders may not exercise the put option during this time. For further information about the waiver, please see the notice to the Holders dated 10 April 2019.

In the event the Holders do not approve the Request set out in this Written Procedure, there will be no registration of the newly issued shares with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and LUSAT will be immediately removed from the Company's share register and have its pledged Equity Contribution returned to its own accounts, resulting in no Change of Control Event taking place.

2.1.2 Transfer of the European Shareholders' and ATSG's shares

No later than 24 April 2019, LUSAT, the European Shareholders and ATSG will enter into the Acquisition Agreement regarding all shares in the Company held by the European Shareholders and ATSG. Moreover, no later than 24 April 2019, LUSAT will provide a company guarantee to the European Shareholders and ATSG, corresponding to the purchase price for the shares, which is approximately SEK 270 million. The Acquisition Agreement is conditional upon the approval of the Transaction by the Holders at this Written Procedure and the Equity Contribution being made by LUSAT.

2.1.3 Amortisation under the Existing Bonds

After completion of the Equity Contribution to the Company, the Company will make the Amortisation by way of a partial prepayment under the Existing Bonds in an amount in SEK equivalent to EUR 10 million, provided that relevant transaction documentation has been executed by the parties.

The Amortisation will be made at par and *pro rata* to all Holders (with no payment of any accrued interest). Payments will be made through the CSD to Holders registered in the debt ledger as per a relevant record date, to be communicated in a press release by the Company. Any accrued but unpaid interest under the Existing Bonds will be added to the nominal amount of the New Bond.

2.1.4 Establishment of a SPV entity

A new special purpose vehicle entity will be established in favour of the Holders. This entity will either be a newly established company or an existing subsidiary in West Atlantic disposed of from the Group to the Holders. Which option that will ultimately be pursued will depend on *inter alia* tax aspects, structure effects, legal consequences and administration costs etc., all of which are currently under evaluation.

The Holders' Representatives (see definition and description under Section 2.3 *Appointment of the Holders' Representatives*) will be authorised to appoint the board members of the SPV and such right will be regulated in the SPV's articles of association. The SPV will publish financial reports and will hire a person/company for accounting purposes. A sales agent will be hired, on a contractual basis, in order to conduct the sales of the ATP aircraft for the highest price possible (including the ATP warehouse (see 2.1.6 *Transfer of assets to the SPV*), subject to that part of the warehouse will be necessary for the ATP aircraft operating for West Atlantic and thereby purchased by West Atlantic). The Holders' Representatives will also be authorised to appoint such sales agent. Since the shareholders and senior management of the Company have all knowledge about the aircraft to be sold, and aligned interest with the Holders in this matter, one of the European Shareholders or

any suitable person in the senior management of the Company may assist the SPV in this sales process. In addition, the Holders' Representatives may appoint a SPV manager with the purpose of controlling the sale of the aircraft, costs related thereto and the overall revenue and costs of the SPV.

The SPV will pay for its administration costs, including costs relating to its accountant, the board members, the sales agent and the SPV manager. The sales agent will be paid a market standard commission fee based on the sales price of the aircraft. The members of the board will have the right to decide when cash interest and when PIK interest shall be paid under the New Bond.

Whether the New Bond shall be listed or not will be decided upon by the Holders' Representatives.

2.1.5 Issuance of the New Bond

As described above, the SPV will issue a New Bond corresponding to the Holders' remaining claim following the Amortisation.

The principal terms of the New Bond are set out in Schedule 3 attached hereto and summarised below. The full version of the terms and conditions of the New Bond will include more detailed and elaborated terms than set out in Schedule 3. The Holders' Representatives will be authorised to agree on the full terms of the New Bond to which all Holders will be bound to, subject to the terms and conditions set out in this Written Procedure. The authorisation is further described below.

The New Bond will have a tenor of three years. The New Bond will be affiliated with the CSD and interest will accrue at a fixed coupon on the outstanding nominal amount from time to time, starting at 6.00 per cent. during the first year from issuance and increasing to 7.00 per cent. during the second year from issuance and 8.00 per cent. during the third year from issuance. To ensure that the SPV will have sufficient liquidity to run its business operations, the SPV will under the terms of the New Bond be permitted to pay interest as PIK interest instead of cash interest (any such PIK interest will then be capitalised and added to the outstanding nominal amount).

The terms of the New Bond will include a cash sweep where a certain minimum level of cash must be held at all times. Any cash exceeding the minimum level of the cash sweep will be used for amortisation at par under the New Bond. The terms will include undertakings for the SPV to provide financial reports, restrictions on incurrence of financial indebtedness and granting of security and/or guarantees (other than as necessary for the maintenance of aircraft and to bring and keep aircraft in a saleable condition).

Upon issuance of the New Bond, the Existing Bonds will be mandatorily exchanged into the New Bond (the "**Mandatory Bond Exchange**"), as further described in Section 2.3 (*Amendments and waivers of the Terms and Conditions due to the Transaction*). Upon the exchange to the New Bond, the Existing Bonds will be considered to have been redeemed in full. Prior to the Mandatory Bond Exchange, the Existing Bonds will be delisted from Nasdaq Stockholm and pledges and guarantees provided under the Existing Bonds will be released as further described below.

The intention is to list the New Bond at Nasdaq First North Stockholm or any other unregulated or regulated market place, subject to decision by the Holders' Representatives.

2.1.6 Transfer of assets to the SPV

Certain assets and rights will be transferred to the SPV:

- 24 ATP aircraft (of which 12 aircraft will be leased by West Atlantic during a period of 24 months and of these 12, 8 aircraft will be leased by West Atlantic for a further 12 months following the 24 month leasing period, subject to any aircraft sales);
- any other assets related to the ATP fleet including old and out of flying conditions ATP units;
- the ATP warehouse (having a book value of approximately SEK 240 million);
- an amount of SEK 14,852,964;
- the right to payments under the lease agreements (as described below);
- a blocked cash account standing to the credit of the Company deriving from the sale of ATP aircraft during 2018 (with a balance of approximately USD 1.6 million), which will be released subject to certain milestones during the lifetime of the New Bond;
- 3 Boeing 737-400 aircraft and 2 Boeing 737-300 aircraft owned by West Atlantic Asset Management AB⁴;
- 2 CRJ aircraft owned by West Atlantic Asset Management AB⁵, (together with the 3 Boeing 737-400 aircraft and the 2 Boeing 737-300 aircraft mentioned above, the “**Repurchased Aircraft**”); and
- the right to any amount not used by West Atlantic received from the Equity Contribution.

Sale of aircraft

The sales value of each ATP aircraft is estimated at approximately USD 1.5 to 3 million, a figure which excludes any investment costs in the aircraft (which on average amounts to USD 400-500 thousands per aircraft depending on condition). In addition to investment costs, there will be ordinary costs related to the ATP aircraft such as for example costs of having the aircraft parked, insurances and maintenance services. West Atlantic or any person directed by West Atlantic with adequate knowledge will assist the SPV with such maintenance/administration work as necessary. Any such ordinary costs and/or maintenance costs will be paid by the SPV. For the ATP aircraft leased by West Atlantic, such costs will be paid by West Atlantic.

In the event the SPV should require funds for bringing the ATP aircraft into a saleable condition, the SPV shall receive loans from either LUSAT or West Atlantic, provided that

⁴ Due to registration costs and time aspects these aircraft might be purchased by LUSAT directly from West Atlantic and in such scenario, the purchase price shall be transferred to the SPV as soon as practically possible in order to amortise the New Bond. As an alternative, West Atlantic may use the amount in order to instead amortise the Existing Bonds.

⁵ Due to registration costs and time aspects these aircraft might be purchased by LUSAT directly from West Atlantic and in such scenario, the purchase price shall be transferred to the SPV as soon as practically possible in order to amortise the New Bond. As an alternative, West Atlantic may use the amount in order to instead amortise the Existing Bonds.

a letter of intent or similar agreement has been entered into with a purchaser. Such loans will be provided on market terms and will be deducted from the sales price and paid to LUSAT or West Atlantic, as applicable, once the aircraft is sold.

Proceeds received from sale of aircraft, after deduction of costs, such as maintenance costs and investments costs in the aircraft and other costs of the SPV, shall be used to amortise the New Bond at par.

It should be noted that neither West Atlantic nor LUSAT will guarantee the sale of the ATP fleet transferred to the SPV.

For more information about the sales process, see Section 2.1.4 (*Establishment of a SPV entity*) above.

Leasing fee

12 of the ATP aircraft will be transferred to the SPV under existing leasing agreements. West Atlantic will continue to operate these aircraft for a period of at least 24 months and pay to the SPV a monthly lease of EUR 22,000 for each aircraft. In addition, West Atlantic has undertaken to lease 8 of the ATP aircraft for an additional period of 12 months following the 24 month lease period and will during this lease period pay to the SPV the same monthly lease fee. *i.e.* EUR 22,000 per month per aircraft to the SPV. If any of the ATP aircraft are sold by the SPV to a third party, the obligation to pay such lease amount to the SPV will cease to apply concerning such aircraft.

ATP warehouse

The ATP warehouse contains spare parts and engines for the ATP fleet as well as other ATP related assets. Since all these assets are transferred to the SPV, West Atlantic will need spare parts for the maintenance of the ATP fleet operating for West Atlantic and will, until the maturity date of the New Bond, be permitted to purchase such spare parts from the SPV. Payment for such spare parts shall be based on market terms.

Liquidity

An amount of SEK 14,852,964 in cash will be transferred to the SPV.

Purchase by LUSAT of the Repurchased Aircraft

Upon the establishment of the SPV and issuance of the New Bond, LUSAT will, as soon as practically possible after such transfer is completed, purchase the Repurchased Aircraft for a total amount of EUR 25 million (or its equivalent in SEK). The amount will be used for amortisation under the New Bond. With reference to footnote 4 and 5 above, should LUSAT acquire these aircraft directly from West Atlantic, the amount shall as soon as practically possible be transferred to the SPV in order for the SPV to amortise the New Bond. As an

alternative, West Atlantic may use the amount in order to instead amortise the Existing Bonds.

Equity Contribution allocated to West Atlantic

In the event the portion of the Equity Contribution provided to West Atlantic turns out to be in excess of the calculations made, such amount shall be transferred to the SPV.

Procedure for transferring assets and contracts etcetera to the SPV

The procedure for transfer of assets, contracts, leasing agreements and similar from West Atlantic to the SPV will be investigated further. Such transfer shall be made as soon as practically possible in connection with the establishment of the SPV and the Mandatory Bond Exchange. West Atlantic undertakes to assist in this procedure which will be made at the cost of West Atlantic. Holders will be informed of the timing of such transfer. The leasing fees and the cash liquidity to be paid/transferred to the SPV will, to the extent necessary, be used for funding the SPV and for administrations costs etcetera.

2.1.7 Pledge over the shares and right to payments from LUSAT should the Holders not be fully repaid under the Existing Bonds

Should Holders not be fully repaid with proceeds received from assets in the SPV at maturity of the New Bond, the Holders will have a right to payments relating to the sale of the European Shareholders' and ATSG's shares to LUSAT.

The shares held by the European Shareholders and ATSG will be pledged, (however, with no enforcement rights *i.e.* in the form of an enforced sale of the shares (Sw. *tvångsförsäljning*)) in favour of the SPV until the Holders have been fully repaid, upon which the pledge shall be released.

The Holders will have the right to the payments and any dividends relating to the European Shareholders' and the ATSG's shares (and, if applicable, payments related to any shares in LUSAT being subject to the share swap right, see further below) up to the remaining claim (if any). The European Shareholders and ATSG will have no responsibility for any shortfall as regards such remaining claim, but shall conversely have no right to payment from LUSAT or any dividend until the Holders have been repaid in full.

In the event the European Shareholders and/or ATSG have used their swap rights under the Acquisition Agreement towards shares in LUSAT, the Holders will receive a pledge over the shares in LUSAT which are subject to the swap. In the event there is a claim outstanding at the maturity date of the New Bond, LUSAT or any entity directed by LUSAT will have an obligation to, upon request by the Holders, purchase such shares being swapped. (If so preferred, the European Shareholders and/or ATSG will have a right remain as shareholder in LUSAT and instead pay any shortfall in cash to the Holders). The purchase price for any swapped share will be the same as for the share purchase price to be paid by LUSAT for the Europeans Shareholders' and ATSG's shares, in total approximately SEK 270 million, subject to the terms of the Acquisition Agreement. Payment for the Europeans Shareholders' and ATSG's shares (including any shares swapped) will be made by LUSAT no later than the first Business Day occurring four years after the issuance of the New Bond. Any payment to the Holders will be made as soon as practically possible thereafter. Any remaining purchase price thereafter will be paid to the European Shareholders and ATSG.

As mentioned above, LUSAT will no later than 24 April 2019 provide a company guarantee in favour of the European Shareholders and ATSG corresponding to the purchase price for their shares. In the event the Holders are not fully repaid at the maturity of the New Bond, the Holders will have the right to require LUSAT to pay to the Holders under that guarantee.

2.2 Appointment of Holders' Representatives

It is proposed that the Holders appoint a group of representatives, consisting of the Holders Committee being Alfred Berg Kapitalforvaltning AS (represented by Tom Hestnes), Carnegie Fonder AB (represented by Niklas Edman) and Mandatum Life (represented by Kristian Nihtilä) (the "**Holders' Representatives**"). The Holders' Representatives shall be unconditionally, irrevocably and exclusively fully authorised to take the necessary decisions required with binding effect on all of the Holders (including to agree on the final terms for the New Bond) subject to the terms and conditions set out in this Written Procedure, and shall after closing of the Transaction be unconditionally, irrevocably and exclusively fully authorised to take the necessary decisions required with binding effect on all of the Holders, relating to the administration and management of the SPV, including delegation of their mandate with respect to administration and management of the SPV to one or several individual persons. Further, the Holders' Representatives shall always be able to instruct the Trustee to initiate a Holder's Meeting or a Written Procedure if, in the Holders' Representatives opinion, the decision to be taken is more appropriate to be decided upon by such means.

For the avoidance of doubt, all costs and expenses incurred by the Holders' Representatives and/or the Trustee shall be paid by the Issuer or the SPV (as applicable) and the Holders' Representatives are fully discharged from any liability whatsoever when acting in accordance with this Section 2.2, provided that the Holders' Representatives have not acted with gross negligence or wilful misconduct. The Holders' Representatives shall never be responsible for indirect loss.

The Holders' Representatives shall be permitted to act in accordance with the above authorisation based on majority decisions within the representatives' group and the authorisation shall not cease to apply should any member of the representatives' group dispose of its holding of Existing Bonds. Members of the Holders' Representatives may resign provided that such member is replaced by a bondholder, approved by the Holders' Representatives. The Holders may at any time instruct the Trustee/Agent to initiate a bondholders' meeting to dismiss members of the Holders' Representatives or to elect new members.

2.2.1 Risk factors related to the Transaction

2.2.2 Tax consequences of the Transaction

Tax consequences for the Holders due to the Transaction

The following summary outlines certain Swedish tax considerations for the Holders that may arise as a result of the Transaction. The summary is based on current Swedish tax legislation and is intended only as a general information. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for Holders and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, *e.g.* investment companies and life insurance companies. In addition, the summary does not address bonds that are held on an "investment savings

account” (Sw. *investeringsparkonto*) or through a “capital insurance” (Sw. *kapitalförsäkring*).

Generally, for Swedish corporations and individuals (and estates of deceased individuals) all income derived from capital assets (*e.g.* income that is considered to be interest for Swedish tax purposes and capital gains on Existing Bonds) will be taxable. A sale or redemption of a bond should be reported as a capital gain or capital loss related to the disposal of the bond. The capital gain or loss is calculated as the difference between the consideration received (sales price or proceeds received as amortisation or repayment of the nominal amount when a bond is redeemed), after deduction of sales costs, and the acquisition cost of the bonds for tax purposes. Compensation for accrued, but not paid interest, should be reported as interest income, and not included in the consideration received when calculating the capital gain or loss. The amount of a consideration received in kind should normally be determined based on the fair market value of the assets received. The acquisition cost is determined according to the “average method”. This means that the costs of acquiring the bonds are added together and the average acquisition cost is calculated collectively, with respect to changes of the holding of the bonds. Any capital gains should be fully taxable for Swedish tax purposes and any capital losses should be fully deductible.

The tax implications of the Transaction - including amortisation under the Existing Bond, the following issuance of the New Bond and mandatory exchange of the Existing Bond into the New Bond, and the redemption of the Existing Bond - may depend on circumstances such as the classification of the steps involved for tax purposes and each Holders individual tax profile. Holders should consult their professional tax adviser regarding the tax treatment of the Transaction and the particular tax consequences that may arise in each individual case. Holders not tax resident in Sweden should consult their professional tax adviser regarding the foreign tax consequences of the Transaction, including the applicability and effect of foreign income tax rules, provisions in double tax treaties and other rules which may be applicable.

Risk factors in relation to tax due to the Transaction

In June 2018, the Swedish Government passed legislation regarding new interest deduction limitation rules in the corporate sector. The rules entered into force on 1 January 2019. Under the legislation, a general limitation for interest deductions applies by way of an EBITDA-rule under which net interest expenses, *i.e.*, the difference between the taxpayer’s interest income and deductible interest expenses, is only deductible up to 30 per cent of the taxpayer’s EBITDA for tax purposes. As an alternative rule, which can be applied instead of the EBITDA-rule, interest deductions of up to a threshold of SEK 5 million are always deductible for tax purposes. In addition, it is possible to offset a taxpayer’s net interest expenses against net interest income of an affiliated group company with which the company may exchange group contributions for tax purposes. The legislation further states that interest costs may not for tax purposes be included in the tax basis value of certain assets, for example real property and land. Further, additional changes to the previous interest deduction limitation rules for interest costs on loans between affiliated companies apply. In summary, interest costs on loans to affiliated companies are only deductible if the affiliated company is either a resident in the EEA, in a country with which Sweden has a concluded double tax treaty or is subject to a tax rate of at least 10 per cent on the interest income. However, no deduction is allowed if the primary reason for the debt is for the group to receive a substantial tax benefit. Companies are considered affiliated if one of the companies, directly or indirectly, through ownership or in other ways has a significant

influence (Sw. *väsentligt inflytande*) over the other company, or if the companies are considered to be under common control (Sw. *under i huvudsak gemensam ledning*).

Depending on the final structure of the Transaction it cannot be excluded that the SPV will be affected by the interest deduction limitation rules described above. The interest deduction limitation rules may thus potentially be limiting SPV's right to deduct interest costs attributable to the New Bond. Should SPV be affected by the interest deduction limitation rules, this may have an impact on, for example, the value of the New Bond.

2.2.3 Other transaction-related risks

The Transaction involves a number of inherent risks and below is a non-exhaustive list of certain risk factors that should be carefully reviewed by the Holders before voting in the Written Procedure. If any of these risks or other risks or uncertainties actually occurs, the development of the market for air freight solutions as well as the business, operating results and financial conditions of the Company and/or the SPV, as issuer of the New Bond, could be materially and adversely affected, which could have a material adverse effect on the Holders' chances to receive payments in accordance with terms of the New Bond.

- LUSAT has undertaken to provide EUR 5 million of the Equity Contribution to be used to face the cash flow needs in the Company. The minimum cash liquidity required by West Atlantic to be able to operate is estimated to SEK 50 million and the average excess over this threshold measured over rolling six months period on the cash flow budget will be paid to the SPV. The actual cash liquidity required by the Company may vary and is dependent upon several factors, some of which are outside of the Company's control, such as the development of the market for air freight solutions but also other factors connected to the operations of the Company and there is a risk that only a small amount or no amount at all will be paid to the SPV.
- LUSAT has also undertaken to provide EUR 5 million of the Equity Contribution to be used to set up a reserve until the return date of certain operational leases to face the return costs incurred by aircraft under operative leasing which are currently hold by the Company and which however amounts to much more than EUR 5 million. Should such return costs turn out to be less than what has been estimated, to be shown in a certificate provided by LUSAT to the SPV no later than at the maturity date of the New Bond, the residual amount shall be paid to the SPV. There is however a risk that such return costs are at the level at or exceeds the estimated amount and that only a small amount or no amount at all will be paid to the SPV.
- The terms for the New Bond will include a cash sweep where a certain minimum level of cash must be held within the SPV at all times. Any cash exceeding that minimum level will be distributed to the Holders of the New Bond by way of an amortisation at par. There is a risk that the cost for the SPV to maintaining its operations will exceed the revenue generated by its operations and/or profits from sales of aircraft and that the minimum level of cash cannot be maintained or that the minimum level will not be exceeded and therefore not be able to distribute the amount equal to the outstanding claim under the New Bond to the Holders.
- The assets to be transferred to the SPV from the Company following the approval of the Transaction at the Written Procedure might not be sold to the estimated value or not be sold to terms favourable to the SPV, depending on the market conditions. The sales agent to be hired to conduct the sale of the ATP aircraft may not succeed to sell the aircraft, or only sell some of the aircraft and/or at lower price than

expected. Furthermore, the Company and LUSAT will not guarantee the sale of the fleet transferred to the SPV. There is therefore a risk that the sale of any ATP aircraft will not generate enough proceeds, or not generate proceeds covering the sales agent's remuneration, any legal costs and other sales costs, to be distributed to the Holders.

- Some of the aircraft units transferred to the SPV will be transferred under signed lease agreement(s) and hence the Company will continue operating such aircraft for a minimum period of two years and paying the lease rates agreed in such lease contract to the SPV. The Company's ability to make payments under the lease agreement(s) are dependent on factors outside the control of the Company and/or the SPV and there is a risk that the Company will not be able to make such payments and consequently that the SPV will not receive payments under the lease agreement(s).
- The SPV will be responsible for any ordinary costs and maintenance cost related to the ATP aircraft (excluding the ATP aircraft leased by the Company) such as for example cost for having the aircraft parked, insurances and maintenance services, in addition to any investment costs. If such ordinary costs and/or investment costs would be higher than expected, this could have a material adverse effect on the revenues of the SPV and the Holders' chances to receive payments in accordance with terms of the New Bond. If interest under the New Bond cannot be paid by the SPV, such interest may be capitalised and increase the total outstanding claim owed by the SPV to the Holders and there is a risk that such increase give rise to that the New Bond cannot be repaid by the SPV at the maturity.
- The SPV may require funds for its operations and/or investments in order to obtain revenue or to bring the ATP aircraft to a saleable condition. Any such funds will be provided through loans by LUSAT or the Company at market terms. There is a risk that LUSAT or the Company may not be able to provide enough funds to cover the operational needs of the SPV which could results in a considerable increase in the cost of obtaining new funds or not otherwise at favourable terms. If the SPV's sources of finance prove to be insufficient, this could have a material adverse effect on the SPV's revenues and the Holders' chances to receive payments in accordance with the terms of the New Bond.
- The SPV may not be subject to disclosure requirements to the same extent as the Company under the terms and conditions for the Existing Bonds. Moreover, should the Holders' Representatives decide that the New Bond shall not be listed, tax consequences may arise and each Holder is therefore requested to carefully consider such consequences. Further, as a result thereof, there is no guarantee that there will be any efficient trading in or pricing of the New Bond.
- The New Bond is secured through a share pledge over the shares held by the European Shareholders and ATSG but without any enforcement rights. The Holders will have the right to the payments related to the European Shareholders' shares and the ATSG's shares (and, if applicable, payments related to any shares in LUSAT being subject to the share swap right) up to the remaining claim (if any). There is a risk that the pledged assets will not be sufficient for the Holders to cover the remaining claim or that LUSAT will not at the time have financial ability to pay the purchase price, regardless of the company guarantee provided. Other than the security mentioned above, the New Bond represents an unsecured obligation of SPV and in the event of bankruptcy, reorganisation or winding-up of the SPV, the

Holders of the New Bond may receive payment after any priority creditors have been paid in full.

2.3 Amendments and waivers of the Terms and Conditions due to the Transaction

As describe above, the Transaction will include the Mandatory Bond Exchange (described in more detail below), whereby each Existing Bonds will be exchanged into a New Bond to be issued by the SPV and which will be subject to the terms of the New Bond which are described in principle in Schedule 3. The Holders are hereby requested to approve such exchange of instruments, including all actions being described above in Sections 2.1.1 – 2.2 and to approve the following waivers and amendments to the Terms and Conditions set out below. *In the below, blue and underlined text indicates additions.*

- **Mandatory Bond Exchange**

It is proposed that the Holders approve the mandatory securities exchange, whereby each Existing Bond will be exchanged into a New Bond issued by the SPV. If the Mandatory Bond Exchange is approved by the Holders, each Holder registered in the debt register (Sw. *skuldbok*) kept by the CSD on the applicable record date, will automatically be transferred a number of New Bonds corresponding to the number of Existing Bonds held by such Holder at that date (*i.e.* one Existing Bond entitles to one New Bond). The nominal amount for each Existing Bonds is SEK 1,000,000 (subject to the Amortisation to be made and subject to a potential amortisation made under the Existing Bonds due to the Repurchased Aircraft). The nominal amount of each New Bond will be SEK 1,000,000 less the Amortisation made under the Existing Bond and less the potential amortisation made under the Existing Bonds due to the Repurchased Aircraft, plus any accrued but unpaid interest under the Existing Bond – or any other *pro rata* allocation which is deemed more sufficient. The timing of the Mandatory Bond Exchange and the record date for being entitled to participate in the exchange will be communicated by the Company in a press release and by regular mail to the Holders. The intention is however that the Mandatory Bond Exchange occurs in May or in June 2019. In the event the Mandatory Bond Exchange should occur after next interest payment date, the Holders acknowledge and agree that no interest will be paid under the Existing Bond (however such interest will be capitalised on the nominal amount of the New Bond).

- **Change of Control Event**

The issuance of new ordinary shares to LUSAT entails that LUSAT will acquire more than 50.00 per cent. of the voting shares of the Company, thus constituting a Change of Control Event in accordance with the Terms and Conditions.

In accordance with Clause 11.5 (*Mandatory Repurchase due to a Change of Control Event (put option)*) of the Terms and Conditions, each Holder has a right to request that all, or only some, of its Existing Bonds are repurchased upon a Change of Control Event. In order to finalise the Transaction, it is proposed that the Holders agree to waive the Change of Control Event and to amend the Terms and Conditions in accordance with the below to the effect that the Equity Contribution with LUSAT as majority shareholder may be carried out without this constituting a Change of Control Event.

Definitions

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons other than LUSAT AIR S.L. and any affiliates of LUSAT AIR S.L. (“LUSAT”), acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the voting shares

of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

- **Partial prepayment at par**

The Amortisation entails a partial prepayment of the Existing Bonds in SEK in an amount equivalent to EUR 10 million at par.

The potential amortisation under the Existing Bonds due to the purchase price for the Repurchased Aircraft by LUSAT also entails a partial prepayment of the Existing Bonds in SEK in an amount equivalent to EUR 25 million at par.

The current Terms and Conditions does not allow for such partial prepayments at par. It is therefore proposed that the Holders agree to add a new clause and new definitions to the Terms and Conditions.

11.7 Mandatory partial prepayment at par

11.7.1 Regardless of what is otherwise set out in these Terms and Conditions, the Issuer (a) shall upon having received the Equity Contribution, and (b) may upon having received the purchase price for the Repurchased Aircraft, as soon as practically possible make a partial prepayment of the Bonds at par. Such prepayment shall be made *pro rata* (with no payment of accrued Interest) by way of reduction of the Nominal Amount (rounded off to a multiple of SEK 1.00) (subject to the rules of the CSD).

If the Issuer does not use the purchase price for the Repurchased Aircraft to partially prepay the Bonds, the Issuer shall transfer such amount to the SPV as soon as practically possible.

11.7.3 Repayment in accordance with Clause 11.7.1 shall be made by the Issuer giving notice to the Holders and the Trustee through a press release without requirement to send notice to the Holders at their addresses as registered with the CSD. Such notice to the Holders and the Trustee shall become effective as soon as the press release has been published and shall specify (i) the Record Date, (ii) the amount to be paid, (iii) the payment date, falling not more than twenty (20) Business Days after the notification date.

Definitions

“**Equity Contribution**” means an amount of EUR 10,000,000 (or its equivalent amount in SEK) to be allocated to the Holders as soon as such amount has been provided to the Issuer as subscription price for the new ordinary shares subscribed by LUSAT.

“**Repurchased Aircraft**” means (i) 3 Boeing 737-400, (ii) 2 Boeing 737-300 and (iii) 2 CRJ aircraft, to be purchased by LUSAT for a total purchase price of EUR 25,000,000 (or its equivalent amount in SEK).

“**SPV**” means a special purpose vehicle or any subsidiary of the Issuer, which will accede certain assets of the Group and issue new bonds to the Holders whereby the Bonds are mandatorily exchanged for such new bonds.

- **Delisting of Bonds**

Upon issuance of the New Bond, the Existing Bonds will be mandatorily exchanged into the New Bond and the Existing Bonds will be redeemed in full. Prior to that, the Existing Bonds will be delisted from Nasdaq Stockholm. In accordance with Clause 12.12 of the Terms and

Conditions, the Company shall ensure that the Existing Bonds continue being listed on Nasdaq Stockholm for as long as any Existing Bonds is outstanding. In order to finalise the Transaction, it is proposed that the Holders agree to waive this undertaking prior to the Mandatory Bond Exchange occur.

- **Release of Pledges and Guarantees**

In accordance with Clause 5.1 and 5.2 of the Terms and Conditions and related agreements referred to therein, the Company (and/or its Group Companies) have provided the following pledges and guarantees (jointly referred to as the “**Pledges and Guarantees**”):

- (i) the pledge over all shares in West Atlantic Aircraft Management AB;
- (ii) the pledge over the Deposit Account and the Escrow Account;
- (iii) any pledges over rights under present and future aircraft leasing agreements entered into by a Group Company as lessor;
- (iv) the pledge over all Bond Pledged Aircraft;
- (v) any pledge over the assets set forth in Clause 12.15 of the Terms and Conditions, *i.e.* any pledges over a Leased Aircraft, and Additional Aircraft, an Aircraft-owning Company or a Swedish Unmortgaged Aircraft;
- (vi) guarantees provided by West Atlantic Aircraft Management AB and West Atlantic Sweden AB, in accordance with Clause 5.2 of the Terms and Conditions; and
- (vii) any other pledge and/or guarantee provided under the Terms and Conditions.

In connection with the Mandatory Bond Exchange, the Pledges and Guarantees will be released. In order to finalise the Transaction, it is proposed that the Holders agree to such release of the Pledges and Guarantees (without triggering any other clause set out in the Terms and Conditions). Further, it is proposed that the Trustee is instructed to take any actions required in order to release the above Pledges and Guarantees in conjunction with exchange of the Existing Bonds.

- **Waiver due potential breach of the financial covenant**

In the event the Company breaches the Maintenance Test set out in Clause 12.13 in the Terms and Conditions, prior to the Transaction having been approved by the Holders, the Holders are hereby requested to waive any such potential breach.

- **Other waivers and amendments due to the Transaction**

It is proposed that the Holders approve any other waivers and/or amendments to the Terms and Conditions, including to waive the Maintenance Test, necessary and/or as a consequence of the Transaction and the completion thereof.

- **Long stop date**

The proposed waivers and amendments to the Terms and Conditions are conditional upon that the Holders approve the Request and:

(a) that the parties to the Transaction have entered into binding agreements as regards the following no later than 31 May 2019:

- (i) the Equity Contribution;
- (ii) the Acquisition Agreement;
- (iii) the company guarantee;
- (iv) the purchase of the Repurchased Aircraft; and
- (v) the transfer of assets and/or rights to the SPV (as set out in Section 2.1.6 *Transfer of assets to the SPV*).

(b) that the Mandatory Bond Exchange occurs no later than 31 August 2019.

3. Request

In order to complete the Transaction, the Holders are hereby requested to (i) agree to the proposed actions set out in Section 2.1 to 2.2 herein and (ii) agree to waive and/or amend certain terms of the Terms and Conditions in accordance with Section 2.3 (*Amendments and waivers of the Terms and Conditions due to the Transaction*) above which for the avoidance of doubt includes to approve the Mandatory Bond Exchange, to agree to appoint the Holders Committee as the Holders' Representatives (including their authorisation), and to agree to release the Pledges and Guarantees (the "**Request**").

The Holders' approval of the Request shall constitute a required waiver in relation to any Event of Default or any breach of the Company's obligations under the Terms and Conditions, which could otherwise occur due to the implementation of the Request and/or the Transaction.

3.1 Effective Dates

The Request shall be deemed approved immediately upon expiry of the voting period and receipt of the required majority or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Trustee as set forth in Section 6.2 (*Decision Procedure*) below and the approved Request, except the release of the Pledges and the Guarantees, shall be effective at the same time.

The release of the Pledges and the Guarantees shall be effective in conjunction with the Mandatory Bond Exchange.

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

4. Approval of the Request

The Holders are hereby asked to approve the Request.

5. Non-reliance by the Trustee

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 their effects, should they 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 their effects, should they be adopted). The Holders are recommended to seek legal advice in order to independently evaluate whether the Request (and their effects) are acceptable or not.

6. Written Procedure

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

6.1 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 (CEST) on 7 May 2019. Votes received thereafter may be disregarded.

6.2 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.

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 Company 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. For the avoidance of doubt, if a sufficient majority is obtained, the Mandatory Bond Exchange whereby all Existing Bonds will be exchanged into New Bonds, will be effectuated also in relation to Holders who didn't vote in the Written Procedure or who voted against the Request.

6.3 Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must, on the Record Date 23 April 2019, be registered in the Company'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 Existing Bonds.

6.4 Existing Bonds registered with a nominee

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

- (1) You can ask the nominee or other intermediary that holds the Existing 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 Existing 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 Existing 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 Existing Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Existing Bonds are registered or need authorisation or other assistance to participate. Existing Bonds owned by Group Companies or (to the knowledge of the Company) their Affiliates do not entitle to any voting rights.

6.5 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 Company shall initiate a second Written Procedure, provided that the Company has confirmed that the relevant proposal has not been withdrawn by the Company. No quorum requirement will apply to such second Written Procedure.

6.6 Majority

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

6.7 Address for sending replies

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney 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
Norrländsgatan 23
SE-111 43 Stockholm

By e-mail:

E-mail: sweden@nordictrustee.com

7. 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 April 2019
NORDIC TRUSTEE & AGENCY AB (PUBL)
As Trustee

Enclosed:

Schedule 1	Voting Form
Schedule 2	Power of Attorney/Authorisation
Schedule 3	Indicative term sheet for the main terms of the New Bond

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 Requests 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 April 2019.

For the Request

Against the Request

Name of the Voting Person: _____

Capacity of the Voting Person:

Holder:

⁶

authorised person:

⁷

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
address: _____

Authorised signature and Name ⁸

Place, date: _____

⁶ When voting in this capacity, no further evidence is required.

⁷ 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 April 2019).

⁸ 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 April 2019.

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 Existing Bonds through (specify below):

Place, date: _____

Name:

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

**INDICATIVE MAIN TERMS FOR THE NEW
BOND**

Schedule 3

THE BELOW IS ONLY TO BE CONSIDERED AS A SUMMARY OF THE INDICATIVE MAIN TERMS FOR THE NEW BOND TO BE INCLUDED IN THE FULL VERSION OF THE TERMS AND CONDITIONS OF THE NEW BOND TO BE ISSUED BY THE SPV ENTITY. THE FULL VERSION OF THE TERMS AND CONDITIONS WILL INCLUDE MORE DETAILED AND ADDITIONAL TERMS.

THE HOLDERS' REPRESENTATIVES⁹ ARE AUTHORISED TO CONCLUDE ON THE FINAL TERMS FOR THE NEW BOND ON BEHALF OF ALL HOLDERS.

Term Sheet

ISIN: SE [•]

**[SPV entity], issuance of SEK [750,000,000/500,000,000]
Senior Secured Fixed Rate Bonds (with possibility to pay PIK interest)
2019/2022**

Issue Date: [•] 2019

The following overview included in this term sheet does not purport to be complete, and is qualified in its entirety by the final Terms and Conditions for the Bonds and related documents and the issue of the Bonds is subject to further and more detailed terms.

Issuer:	SPV entity ¹⁰
Bonds:	Debt instruments (Sw. <i>skuldförbindelser</i>), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>), issued by the Issuer under the Terms and Conditions.
Existing Bonds:	The bonds issued by West Atlantic with ISIN SE0007783840.
Mandatory Exchange:	The Existing Bonds will be mandatory exchanged for the Bonds.
Currency:	SEK (Swedish kronor).
Bond Issue:	SEK [500,000,000] ¹¹ . The initial bond issue amount might be approximately SEK [750,000,000] ¹² , the Issuer will however, as soon as practically possible, upon the issuance of the Bonds and the purchase by LUSAT of the Repurchased Aircraft, amortise the Bonds with EUR 25,000,000, giving that the bond issue amounts to approximately

⁹ Being Alfred Berg Kapitalförvaltning AS, Carnegie Fonder AB and Mandatum Life.

¹⁰ The SPV will be a Swedish entity. Instead of establishing a new company, West Atlantic Aircraft Management AB may be disposed of from West Atlantic and be the issuer of the Bonds, depending on *inter alia* tax aspects, structure effects, legal consequences, and administration costs etcetera.

¹¹ The amount is an approximate amount and will depend on the conversion rate from Euro to SEK. In addition, any accrued but unpaid interest under the Existing Bonds will added to the Nominal Amount.

¹² The amount is an approximate amount and will depend on the conversion rate from Euro to SEK. In addition, any accrued but unpaid interest under the Existing Bonds will added to the Nominal Amount.

SEK [500,000,000]¹³. Moreover, in the event West Atlantic has already amortised the Existing Bonds with EUR 25,000,000 due to purchase by LUSAT of the Repurchased Aircraft, the bond issue amount will be approximately SEK [500,000,000].

Interest Rate:

The Bonds shall carry fixed interest of:

- (i) 6.00 per cent during the first year of issuance;
- (ii) 7.00 per cent during the second year of issuance; and
- (iii) 8.00 per cent. during the third year from issuance.

In the event the maturity date for the Bonds is extended to the Prolonged Redemption Date, interest will accrue from the Final Redemption Date to the Prolonged Redemption Date, at an interest rate of 8.00 per cent.

In order to maintain sufficient liquidity in the Issuer, the Issuer may choose (at whatever time, subject to the rules of the CSD) to, from time to time, pay interest in kind (“**PIK-interest**”) instead of cash interest, any such PIK-interest shall be capitalised to the Nominal Amount. In the event the Issuer decides to pay PIK-interest instead of cash interest, the Issuer shall give notice that the interest for the applicable period is being capitalised, such notice shall be given (either by press release or by notice to the bondholders registered in the debt ledger held with the CSD, at the discretion of the Issuer) no later than 15 Business Days prior to the record date of the relevant Interest Payment Date.

Issue Date:

[The intention is to issue the Bonds in May or June 2019].

Final Redemption Date:

3 years after the Issue Date¹⁴, at which date each Bond shall be redeemed at a price equal to 100.00% of the Nominal Amount together with any accrued but unpaid interest or any PIK interest.

Prolonged Redemption Date:

In the event the Bond should not be fully repaid on the Final Redemption Date, the maturity date shall be prolonged until the payment date for the Pledged Share Claim Amount.

If the maturity date is prolonged, the Issuer shall give notice about the Prolonged Redemption Date to the bondholders registered in the debt ledger (Sw. *skuldbok*) and through a press release, such notice and press release to be provided no later than 5 Business Days prior to the record date of the Final Redemption Date.

Interest Payment Dates:

Interest will be payable [semi-annually], to the extent such day is not a Business Day, the following day that is a Business Day (with the first Interest Payment Date on [•] and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)).

¹³ The amount is an approximate amount and will depend on the conversion rate from Euro to SEK and any accrued but unpaid interest under the Existing Bond added to the Nominal Amount.

¹⁴ Should any claim be outstanding at the maturity date of the Bond, an amount up to the maximum amount of the purchase price for the shareholders' shares will be allocated to the bondholders as soon as possible following the payment date set out in the acquisition agreement between LUSAT and WA Shareholders. In such event, the maturity date of the Bond will be prolonged.

Interest Period:	Each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).
	Interest shall be calculated on the basis of a 360-days year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
Nominal Amount:	The nominal amount of each Bond will be SEK [•] ¹⁵ .
Purpose of the Bonds:	The purpose with the issuance of the Bonds is to repay the bondholders any to pay any costs incurred by the SPV.
Status of the Bonds:	The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.
Conditions Precedent:	The Terms and Conditions will include customary conditions precedent.
Security and Guarantee:	<p>All shares held by the European Shareholders and ATSG (the “WA Shareholders”) will be pledged in favour of the bondholders and the Agent, including any shares in LUSAT should the WA Shareholders have used their swap rights (the “Swapped Shares”). The pledge will not include any enforcement rights <i>i.e.</i> in the form of an enforced sales of the shares (Sw. <i>tvångsför säljning</i>).</p> <p>In the event the bondholders are not fully repaid at the Final Redemption Date, the bondholders will have the right to the purchase price and any dividend for the shares held by WA Shareholders (including any Swapped Shares whereby LUSAT will have an obligation to repurchase such shares upon request by the bondholders (in addition, the WA Shareholders will have a right to pay any shortfall in cash) up to such remaining claim, to be paid by LUSAT no later than on the first Business Day occurring four years after the Issue Date and to be paid to the bondholders as soon as practically possible thereafter, and which amounts to approximately SEK 270,000,000 (subject to any reduction due to a breach of any given warranty and/or guarantee by the WA Shareholders) (the “Pledged Share Claim Amount”).</p> <p>In addition, LUSAT will provide a Guarantee to the WA shareholders which will also be for the benefit of the bondholders.</p>
Partial mandatory amortisation:	Upon the issuance of the Bonds, LUSAT shall as soon as practically possible purchase the following aircraft from the Issuer: (i) 3 Boeing 737-400, (ii) 2 Boeing 737-300 and (iii) 2 CRJ aircraft, together (the “ Repurchased Aircraft ”) and pay the purchase price for these aircraft to the Issuer which amounts to EUR 25,000,000 in total (or its equivalent in SEK). The amount shall be used for mandatory partial amortisation of the Bonds at par.

¹⁵ The Nominal Amount of each Bond will be subject to the amortisation made under the Existing Bonds prior the Mandatory Bond Exchange and any accrued but unpaid interest under the Existing Bonds.

In the event LUSAT acquires the Repurchased Aircraft directly from West Atlantic, West Atlantic will as soon as practically possible transfer the above amount to the Issuer to be used for partial mandatory amortisation of the Bonds at par.¹⁶

Amortisation:

The Issuer may at any time partially repay the Bonds *pro rata* at par together with accrued but unpaid interest and any PIK interest (as applicable).

Repayment shall be made by giving no less than fifteen (15) Business Days' notice to the bondholders and the Agent. Any such notice shall state the repayment date and the record date.

Special Undertakings:

- (a) **Listing of Bonds:** The Issuer shall ensure that the Bonds are listed on the corporate bond list of First North Stockholm, or any other unregulated or regulated market place within [•] days after the Issue Date and to maintain such listing until the redemption of the Bonds, unless otherwise decided by the Holders' Representatives.
- (b) **Nature of business:** The Issuer shall procure that no substantial change is made to the general nature of the business with the aim to dispose of the Aircraft Assets as soon as possible and to the highest price as possible. A sales agent, with adequate knowledge, will be hired by the Issuer in order to conduct such sales.
- (c) **Financial Indebtedness:** The Issuer shall not incur any financial indebtedness other than loans related to maintenance costs and investment cost in order to have the ATP aircraft in saleable conditions (as necessary), unless otherwise decided by the Holders' Representatives.
- (d) **Negative pledge:** The Issuer shall not provide any security or guarantee over any of its assets to secure any loan or other indebtedness other than should such be required in relation to any sale of the ATP aircraft, unless otherwise decided by the Holders' Representatives.
- (e) **Lease agreements:** The Issuer shall enter into lease agreements with West Atlantic, whereby West Atlantic has undertaken to lease 12 of the ATP aircraft for a minimum of twenty-four (24) months and pay a monthly lease rate of EUR 22,000 per aircraft to the Issuer. In addition, West Atlantic has undertaken to lease 8 of these 12 ATP aircrafts for another twelve (12) months and to pay 22,000 per aircraft to the Issuer for these leases. Upon any sale of the ATP aircraft by the Issuer, the monthly lease payment for such aircraft will cease to apply.
- (f) **Spare parts:** The Issuer undertakes to sell any spare part included in the ATP Warehouse to West Atlantic, necessary for the ATP fleet operating for West Atlantic, provided that such sales is made on market terms.
- (g) **Cash Sweep:** The Issuer shall at all times have a minimum level of cash.¹⁷ Any cash exceeding the minimum level shall be used for amortisation of the Bonds at par.

¹⁶ Subject to that the amortisation has not already been made under the Existing Bonds.

¹⁷ Level to be decided by the board of directors.

- (h) **Compliance with law etcetera:** The Issuer shall (i) comply in all material respects with all laws and regulations applicable from time to time, [including but not limited to the rules and regulations of [Nasdaq First North]]¹⁸ and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by the Issuer.
- (i) **Financial reporting etcetera:** The Issuer shall:
- (i) prepare and make available the annual audited financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than 4 months after the expiry of each financial year;
 - (ii) prepare and make available the quarterly interim unaudited reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than 2 months after the expiry of each relevant interim period;
 - (iii) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website (once the SPV has a website); and
 - (iv) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of [Nasdaq First North] (as amended from time to time) and the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

- Definitions:**
- “**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Sweden.
- “**Agent Agreement**” means the agreement entered into between the Issuer and the Agent, or any replacement agent agreement entered into thereafter.
- “**Aircraft Assets**” means 24 ATP aircraft, 3 Boeing 737-400, 2 Boeing 737-300 and 2 CRJ aircraft and the ATP Warehouse.
- “**ATP Warehouse**” means the warehouse of the ATP containing spare parts and engines having a booked value of approximately SEK 240 million, together with any other assets related with ATP fleet.
- “**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

¹⁸ Subject to that the Holder's Representatives decide that the Bonds shall be listed.

“**Finance Document**” means the Terms and Conditions, the Agent Agreement, the Share Pledge Agreement, the Guarantee or any other document designated to be a Finance Document by the Issuer and the Agent.

“**Financial Report**” means the annual audited financial statements of the Issuer and the quarterly interim unaudited reports of the Issuer, which shall be prepared and made available according to item (i) and (ii) under Section “Financial reporting etcetera”.

“**Guarantee**” means a company guarantee provided from LUSAT for the purchase price by LUAST of the shares held by WA Shareholders, which is also for the benefit of the Agent and the bondholders (represented by the Agent).

“**Share Pledge Agreement**” means a share pledge agreement entered into between the WA shareholders and the Agent (on behalf of the bondholders) as a first priority pledge over all shares held by the WA Shareholders in West Atlantic (or in LUSAT, subject to Swapped Shares), granted in favour of the Agent and the bondholders (represented by the Agent).

“**Subsidiaries**” means an entity from time to time of which a person: (a) has direct or indirect control; or (b) owns directly or indirectly more than fifty (50) per cent of the share capital or other right of ownership.

“**West Atlantic**” means West Atlantic AB (publ) reg. no. 556503-6083, and any of its Subsidiaries.

ATSG:	ATSG West Limited, a company incorporated and registered in Ireland reg. no. 533753.
European Shareholders:	Göran Berglund, Gustaf Thureborn, Tony Auld, Russell Ladkin, Atlantic Holdings Ltd. and Nigel Hiorns.
LUSAT:	LUSAT AIR S.L., a company domiciled in Spain.
Holdings’ Representatives:	The bondholders shall establish a group of holders’ representatives. The initial members are Alfred Berg Kapitalforvaltning AS (represented by Tom Hestnes), Carnegie Fonder AB (represented by Niklas Edman) and Mandatum Life (represented by Kristian Nihtilä), which unconditionally and exclusively are authorised to take the necessary decisions require under the Bond, with binding effect for the bondholders based on majority decision within the representatives’ group. The bondholders may at any time instruct the Agent to initiate a bondholders’ meeting to dismiss members of the group and/or to elect new members. Any member of the Holdings’ Representatives may at any time resign, subject to that such member is replaced by a bondholder, approved by the Holdings’ Representatives.
Agent:	The bondholders’ agent and security agent under the Finance Documents from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879.
CSD:	The Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.

Taxation: The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under the Terms and Conditions by virtue of any withholding tax.

Terms and Conditions: The Terms and Conditions will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Terms and Conditions, the Terms and Conditions shall prevail. This term sheet only includes the principle terms and additions and adjustment may be made in the Terms and Conditions.

By approving the request set out in the Written Procedure, each bondholders accepts to be bound by the Terms and Conditions. The bondholders committee, constituting the Holders' Representatives will be authorised to finally approve the Terms and Conditions and the other Finance Documents on behalf of all bondholders.

The Terms and Conditions shall include provisions on the Agent's right to represent the bondholders, including a no action clause for individual bondholders (described below), the duties of the Agent, procedures for bondholders' meetings and applicable quorum and majority requirements for bondholders' consent (described below), the bondholders' right to replace the Agent, as well as other provisions customary for a Swedish bond offering.

No action clause: No bondholder may take any action against the Issuer in matters relating to the Bonds or the Finance Documents, or take any legal steps whatsoever to recover any amount due or owing to it pursuant to the Finance Documents, or file an application for, or otherwise take any legal steps in respect of, the winding-up, bankruptcy or liquidation of the Issuer or any of the Subsidiaries or the making of an administration order in relation to the Issuer or any of the Subsidiaries.

Quorum and majority requirements: Quorum at a bondholders' meeting exists only if bondholders representing at least 20.00% of the aggregate outstanding Nominal Amount attend the bondholders' meeting in due order. The resolution of the bondholders shall be in accordance with the opinion held by the majority of the Nominal Amount of the Bonds represented at the meeting.

Time-bar: The right to receive payment of the Nominal Amount shall be time-barred and become void 10 years from the relevant redemption date. The right to receive payment of interest shall be time-barred and become void 3 years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the bondholders' right to receive payment has been time-barred and void.

If such periods of limitations are duly interrupted, in accordance with the Swedish Act on Limitations (Sw. *preskriptionslagen (1981:130)*), a new time-bar period of 10 years with respect to the Nominal Amount, and of 3 years with respect to the right to receive interest payments will commence, in both cases calculated from the date of interruption of the time-bar period as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

Governing law: The Terms and Conditions shall be governed by and construed in accordance with Swedish law.

Disputes: Any dispute or claim arising in relation to the Finance Documents shall be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

The submission to the jurisdiction of the Swedish courts shall however not limit the right of the Agent (or the bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.