

**BOND TERMS**

**FOR**

**Odfjell Rig III Ltd. 9.25% Senior Secured USD 390,000,000 Callable Bonds  
2023/2028**

**ISIN NO0012921172**

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

<b>BOND TERMS between</b>	
ISSUER:	Odfjell Rig III Ltd., a company existing under the laws of Bermuda with registration number 45961 and LEI-code number 529900JX0H45QUN1EC58;
PARENT AND GUARANTOR:	Odfjell Drilling Ltd, a company registered under the laws of Bermuda with registration number 37607 and LEI number 529900M08ZU24JXMPB85; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	30 May 2023
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

## 1. INTERPRETATION

### 1.1 Definitions

The following terms will have the following meanings:

"**Acceptable Bank**" means:

- (a) any Nordic banking institution; or
- (b) any other bank having a credit rating of A- or better.

"**Accounting Standard**" means GAAP.

"**Affiliate**" means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

"**Annual Financial Statements**" means the audited consolidated annual financial statements of the Issuer and the Parent for any financial year, prepared in accordance with the Accounting Standard and in the English language, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

"**Approved Broker**" means each of Fearnley Offshore, Arctic Offshore, Pareto Offshore, Clarksons Offshore and/or any other rig broker approved by the Bond Trustee, in its sole discretion.

"**Approved Classification Society**" means (i) ABS, DNV, Bureau Veritas, Lloyd's Register of Shipping, (ii) a classification society that is full member of the International Association of Classification Societies (IACS) and/or (iii) another classification society reasonably acceptable to the Bond Trustee.

"**Approved Flag State**" means each of Norway, United Kingdom, Singapore, Marshall Islands, Cyprus, UAE, Malta, Bermuda and any other OECD member country.

"**Approved Jurisdiction**" means each of Norway, United Kingdom, Singapore, Marshall Islands, Cyprus, UAE, Malta, Bermuda and any other OECD member country.

"**Attachment**" means any schedule, appendix or other attachment to these Bond Terms.

"**Bond Currency**" means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Bond Terms**" means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"**Bond Trustee**" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"**Bond Trustee Fee Agreement**" means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

"**Bondholder**" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"**Bondholders' Meeting**" means a meeting of Bondholders as set out in Clause 17 (*Bondholders' Decisions*).

"**Bonds**" means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

"**Business Day**" means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency is open.

"**Business Day Convention**" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

"**Call Option**" has the meaning ascribed to such term in Clause 10.1(a) (*Voluntary early redemption – Call Option*).

"**Call Option Repayment Date**" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.1(a) (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**"Cash and Cash Equivalents"** means, at any date, the aggregate amount of freely available cash and cash equivalents of the Group, in each case reported in accordance with the Accounting Standard, including without limitation:

- (a) cash in hand or on freely available deposit with any bank or financial institution;
- (b) certificates of deposits or marketable debt securities (included money market funds) with a maturity of twelve (12) months or less after the relevant date of calculation, issued by an arranger or a financial institution which has a rating for its long term unsecured and non-credit enhanced debt obligations with A or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (c) any other instrument, Security or investment approved in writing by the Bond Trustee, and in each case, to which any of the Obligors is beneficially entitled at that time and which can be promptly realised and applied against redemption of the Bonds.

**"Change of Control Event"** means an event where any person or group of persons acting in concert, other than the Odfjell Family, gains Decisive Influence over the Parent.

**"Charter Companies"** means each of:

- (a) Deep Sea Drilling Company AS, a company incorporated under the laws of Norway or any of its successors, being a single purpose company and the company holding the Charter Contracts for Deepsea Aberdeen; and
- (b) Odfjell Invest AS, a company incorporated under the laws of Norway or any of its successors, being a single purpose company and the company holding the Charter Contracts for Deepsea Atlantic.

**"Charter Contracts"** means:

- (a) the drilling contract for utilisation of Deepsea Atlantic between Equinor Energy AS and Odfjell Invest AS dated 20 November 2020, as amended from time to time;
- (b) the drilling contract for utilisation of Deepsea Aberdeen between Equinor Energy AS and Deep Sea Drilling Company AS dated 20 November 2020, as amended from time to time; and
- (c) any other employment contracts for any of the Collateral Rigs for employment with any third party not being a member of the Restricted Group.

**"Closing Procedure"** means a closing procedure for the release of funds from the issuance of the Bonds or the Escrow Account, in each case agreed between the Bond Trustee (in consultation with its advisors) and the Issuer, and, if applicable, existing creditors of the Group.

**"Collateral Rigs"** means of the harsh environment semi-submersible drilling rigs named Deepsea Aberdeen ("**Deepsea Aberdeen**") and Deepsea Atlantic ("**Deepsea Atlantic**") (each a "**Collateral Rig**").

"**Compliance Certificate**" means a statement substantially in the form as set out in Attachment 1 hereto.

"**CSD**" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"**Current Assets**" means the aggregate value of assets of the Group which are treated as current assets in accordance with the Accounting Standard.

"**Current Liabilities**" means the aggregate amount of liabilities of the Group which are treated as current liabilities in accordance with the Accounting Standard, but excluding:

- (a) the short term portion of long term debt;
- (b) any balloon payments; and
- (c) liabilities related to drilling rigs/vessels under construction.

"**Current Ratio**" means the ratio of Current Assets to Current Liabilities.

"**Decisive Influence**" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

"**Default Notice**" has the meaning ascribed to such term in Clause 16.2 (*Acceleration of the Bonds*).

"**Default Repayment Date**" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"**Delisting Event**" means that the Parent's shares ceases to be listed on Oslo Stock Exchange.

"**Distribution**" means, in respect of the relevant entity:

- (a) any declaration, making or payment of any dividend or other distribution on or in respect of any of its shares;
- (b) any redemption, repurchase, defeasance, retirement or repayment of its share capital; and
- (c) any prepayment or repayment of any Subordinated Loan or any payment of any interest, fee, charge or premium accrued in respect thereof (other than through adding such amounts to the principal amount).

"**Earnings**" means all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Group Company and which arise out of the use of or operation of a Collateral Rig, including (but not limited to):

- (d) all freight, hire and passage moneys payable to an Obligor or a Rig Manager, including (without limitation) payments of any nature under any charter or agreement for the employment, use, possession, or operation of any of the Collateral Rigs (other than management fees payable to any Rig Manager);
- (e) any claim under any guarantees related to freight and hire payable to an Obligor or a Rig Manager as a consequence of the operation of a Collateral Rig;
- (f) compensation payable to an Obligor or a Rig Manager in the event of any requisition of a Collateral Rig or for the use of a Collateral Rig by any government authority or other competent authority;
- (g) remuneration for salvage, towage and other services performed by a Collateral Rig payable to an Obligor or a Rig Manager;
- (h) demurrage, detention and retention money receivable by an Obligor or a Rig Manager in relation to any of the Collateral Rigs;
- (i) all moneys which are at any time payable under the Insurances in respect of loss of earnings;
- (j) all present and future moneys and claims payable to an Obligor or a Rig Manager in respect of any breach or variation of any charterparty or contract of affreightment in respect of any of the Collateral Rigs;
- (k) if and whenever a Collateral Rig is employed on terms whereby any moneys falling within paragraphs (i) to (vii) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Collateral Rigs; and
- (l) any other money whatsoever due or to become due to an Obligor or Rig Manager from third parties in relation to any of the Collateral Rigs, or otherwise,

provided however that income related to service contracts which only fulfil a local requirement in certain jurisdictions and which generate immaterial net profits in the context of the Bond Issue shall not be included.

**"Earnings Accounts"** means the accounts established by any Restricted Group Company with an Acceptable Bank into which the Issuer shall procure that all Earnings from the Collateral Rigs shall be deposited. The Earnings Accounts shall be pledged in favour of the Bond Trustee (on behalf of the Bondholders), but not blocked unless an Event of Default has occurred and is continuing.

**"EBITDA"** means, in respect of any Relevant Period, the consolidated operating profit of the Group according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;

- (b) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;
- (c) not including any interest receivable or accruing in favour of any Group Company;
- (d) excluding any Transaction Costs;
- (e) excluding any items (positive or negative) of a one off, non-recurring, extraordinary, unusual or exceptional nature not exceeding 10 per cent. of EBITDA for any Relevant Period;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (g) excluding the charge to profit represented by the expensing of stock options and costs and provisions relating to share incentive schemes of the Group or other long-term management incentive programs;
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (j) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group;
- (k) after adding back any losses to the extent covered by any insurance;
- (l) after deducting any lease payments made by a Group Company in respect of any lease or hire purchase contract which would have been treated as an operating lease for accounting purposes in accordance with IFRS as applicable on 31 December 2018; and
- (m) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group

"**Equity**" means the consolidated book equity of the Parent in accordance with the Accounting Standard, always provided that the amount of any Subordinated Loan may be included as equity.

"**Equity Ratio**" means the ratio of Equity to Total Assets.

"**Escrow Account**" means an account with DNB Bank ASA in the name of the Issuer, blocked and pledged on first priority as security for the Issuer's obligations under the Finance Documents.



**"Escrow Account Pledge"** means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

**"Event of Default"** means any of the events or circumstances specified in Clause 16.1 (*Events of Default*).

**"Exchange"** means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

**"Existing Debt"** means:

- (a) the senior and junior secured credit facility agreements between Odfjell Invest Ltd as borrower and DNB Bank ASA as facility agent on behalf of other lenders, both dated 26 June 2019; and
- (b) the term loan facilities agreement between the Issuer as borrower and DNB Bank ASA as facility agent on behalf of other lenders dated 7 May 2013 and as later amended.

**"Finance Documents"** means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

**"Finance Lease"** means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Standard, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the Accounting Standard in force on 31 December 2018, have been treated as an operating lease).

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any acceptance under any acceptance credit or bill discounting facility or dematerialised equivalent;
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any Finance Lease;
- (e) receivables sold or discounted other than any receivables to the extent they are sold on a non-recourse basis;
- (f) any hedge (and, when calculating the value of that hedge, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that hedge, that amount) shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of Financial Indebtedness;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) at any time prior to all present and future obligations and liabilities of the Obligors under the Finance Documents having been discharged in full or are otherwise classified as borrowings under the Accounting Standard);
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Standard; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

**"Financial Reports"** means the Annual Financial Statements and the Interim Accounts.

**"Financial Support"** means loans, guarantees, hedging, credits, indemnities, equity injections or equity contributions, or other similar form of credit or financial support.

**"First Call Date"** means the Interest Payment Date falling on 30 November 2025.

**"Free Liquidity"** means, at any given time, the aggregate amount of:

- (a) Cash and Cash Equivalents; and
- (b) undrawn and available amounts under revolving credit facilities (with more than 6 months to maturity), as per the relevant Quarter Date.

**"GAAP"** means generally accepted accounting practices and principles in the country in which the Issuer or the Parent (as the case may be) is incorporated including, if applicable, IFRS.

**"Global Coordinator"** means DNB Markets, a part of DNB Bank ASA.

**"Group"** means the Parent and its Subsidiaries from time to time.

**"Group Company"** means any person which is a member of the Group.

**"Guarantee"** means the unconditional Norwegian law guarantee and indemnity (Norwegian: "*selvskyldnerkausjon*");

- (a) set out in Clause 12 (*Guarantee*) these Bond Terms; and
- (b) issued separately by each Guarantor other than the Parent,

in respect of the Secured Obligations.

**"Guarantors"** means the Parent, the MidCo, the Rig Owners, the Charter Companies and any other company that is or becomes a Restricted Group Company.

**"IFRS"** means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

**"Initial Nominal Amount"** means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Insolvent"** means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

**"Insurances"** means all the insurance and re-insurance policies and contracts of insurance or re-insurance which are from time to time in place or taken out or entered into by or for the benefit of any Group Company (whether in the sole name of the Group Company or in the joint names of any Group Companies and any other person) in respect of the Collateral Rigs or otherwise in connection with the Collateral Rigs and all benefits thereunder (including claims of whatsoever nature and return of premiums)

**"Intercompany Loans"** means any loan provided by a Group Company to a Restricted Group Company (i) with a principal amount in excess of USD 5,000,000 (or the equivalent in other currencies at the date of establishment or increase of such loan), and (ii) with a term or actual duration of more than 12 months, and provided that first priority Security in the form of an assignment over any monetary claims in respect of any such loan shall be granted in favour of the Bond Trustee where required pursuant to Clause 2.5 (*Transaction Security*).

**"Interest Payment Date"** means the last day of each Interest Period, the first Interest Payment Date being 30 November 2023 (six (6) months after the Issue Date) and the last Interest Payment Date being the Maturity Date.

**"Interest Period"** means, subject to adjustment in accordance with the Business Day Convention, the period between 31 May and 30 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**"Interest Rate"** means nine point two five percentage points (9.25%) per annum.

**"Interim Accounts"** means the unaudited consolidated quarterly financial statements of the Issuer and the Parent for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard and in the

English language, such financial statements to include a profit and loss account, balance sheet, cash flow statement and management commentary by the Issuer.

"**ISIN**" means International Securities Identification Number.

"**Issue Amount**" means USD 390,000,000.

"**Issue Date**" means 31 May 2023.

"**Issue Price**" means 100% of the Nominal Amount.

"**Issuer**" means the company designated as such in the preamble to these Bond Terms.

"**Issuer's Bonds**" means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

"**Listing Failure Event**" means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 6 months following the Issue Date; or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

"**Leverage Ratio**" means the ratio of Net Interest Bearing Debt to EBITDA calculated on a twelve-month rolling basis. EBITDA and Net Interest Bearing Debt related to a newbuilding or fleet addition of a drilling rig/vessel may be disregarded until up to six (6) months from the delivery date for such unit. From inclusion, actual EBITDA from the commencement date of any firm employment contract for such drilling rig/vessel shall be annualised until a full twelve month earnings history related to that newbuilding or other fleet addition has been achieved. If, from inclusion, no firm employment contract has commenced, but the relevant unit has a firm contract, of at least 12 months duration, that starts within six (6) months thereafter, then EBITDA on such employment contract shall be included for the full Relevant Period, on a pro-forma basis.

"**Longstop Date**" means the date falling three (3) months from the Issue Date.

"**Longstop Date Event**" means an event where the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop Date.

"**Make Whole Amount**" means an amount equal to the sum of the present value on the Call Option Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a)(ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 4.319% per annum.

"**Managers**" means:

- (a) Danske Bank, Norwegian branch, SpareBank 1 Markets AS, ABG Sundal Collier ASA and Fearnley Securities AS (each a joint lead manager); and
  - (b) the Global Coordinator,
- (each a "**Manager**").

"**Mandatory Redemption Event**" means:

- (a) a Longstop Date Event;
- (b) a Partial Release Event;
- (c) a Prepayment Event; or
- (d) a Total Loss Event.

"**Mandatory Redemption Repayment Date**" means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.5 (*Mandatory early redemption due to a Mandatory Redemption Event*).

"**Market Value**" means the fair market value of the Collateral Rigs determined as the arithmetic mean of independent valuations of the Collateral Rigs obtained from two Approved Brokers. Such valuation shall be made on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms between a willing seller and a willing buyer, on an "as is where is" basis, free of any existing charters or other contracts for employment. The cost of such determination shall be for the account of the Issuer and such determinations shall be made annually.

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the ability of the Obligors taken as a whole to perform and comply with their payment obligations under any Finance Document; or
- (b) the validity or enforceability of the Transaction Security Documents and Guarantees taken as a whole which is (i) materially prejudicial to the interests of the Bondholders taken as a whole under the Finance Documents, and (ii) if capable of remedy, is not remedied within any relevant remedy provision under the Bond Terms.

"**Maturity Date**" means 31 May 2028, adjusted according to the Business Day Convention.

"**MidCo**" means Odfjell Rig Owning Ltd., a company incorporated under the laws of Bermuda with registration number 50982 and the 100% owner of the Issuer.

"**Net Interest Bearing Debt**" means at the relevant time, the aggregate amount of all obligations of the Group Companies, determined on a consolidated basis, for or in respect of interest bearing Financial Indebtedness but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Subordinated Loan;
- (c) excluding any Bonds held by the Group;
- (d) excluding any indebtedness in respect of any derivative transaction;
- (e) including, in the case of any lease contracts that are Financial Indebtedness, their capitalised value; and
- (f) deducting the aggregate amount of Cash and Cash Equivalents,

and so that no amount shall be included or excluded more than once.

**"Net Proceeds"** means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds)

**"Nominal Amount"** means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 18.2 (*The duties and authority of the Bond Trustee*).

**"Obligor"** means the Issuer and any Guarantor.

**"Odfjell Family"** means Helene Odfjell, her immediate family and heirs, direct descendants, any trust established for the benefit of any such person or any entity controlled directly or indirectly by any such person.

**"Outstanding Bonds"** means any Bonds not redeemed or otherwise discharged.

**"Overdue Amount"** means any amount required to be paid by an Obligor under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

**"Parent"** means the company designated as such in the preamble to these Bond Terms.

**"Partial Payment"** means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

**"Partial Release Event"** means an event where on the Longstop Date release of Net Proceeds from the issuance of the Bonds from the Escrow Account have taken place in relation to only one (1) of the Collateral Rigs.

**"Paying Agent"** means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

**"Payment Date"** means any Interest Payment Date or any Repayment Date.

**"Permitted Disposal"** means:

- (a) any disposal of goods or services in the ordinary course of trading;

- (b) any disposal of obsolete or redundant assets;
- (c) any disposal made under any supply chain financing or invoice discounting arrangements of the Group; and
- (d) any disposal of any asset which constitutes a Mandatory Prepayment Event provided that the Mandatory Prepayment is complied with.

**"Permitted Distribution"** means any Distribution provided that:

- (a) no Event of Default has occurred;
- (b) the Leverage Ratio on a pro-forma basis (taking into account any such Distribution) will (i) if prior to the First Call Date be less than 3.0:1 immediately following the Distribution, and (ii) if after the First Call Date, be less than 2.0:1 immediately following the Distribution, and in each case the Parent provides evidence and supporting documentation of the same to the Bond Trustee prior to making the Distribution, and
- (c) the Group, on a pro-forma basis (taking into account any such Distribution) has Total Liquidity of no less than USD 100,000,000, provided that for any Distribution made prior to the completion of the next 5-year special periodical survey for each of the Collateral Rigs and each of the rigs Deepsea Nordkapp and Deepsea Stavanger after the Issue Date, Total Liquidity shall be no less than USD 150,000,000.

**"Permitted Financial Indebtedness"** means Financial Indebtedness:

- (a) incurred under the Finance Documents;
- (b) arising under any Intercompany Loans or any other loan or credit between Group Companies;
- (c) provided by any charterer of a Collateral Rig (or its affiliates), to fund capital expenditures made by the Restricted Group resulting from requirements under the drilling contract for the Collateral Rig;
- (d) arising under any Finance Lease in the ordinary course of business, including for mooring lines, anchors, continuous circulation systems, drill pipes and other lose drilling equipment;
- (e) arising under hedging transactions of currency or interest rate in the ordinary course of business, and not being made for investment or speculative purposes; and
- (f) arising under any future bid-, payment- and performance bonds, guarantees and letters of credit incurred by any Group Company in the ordinary course of business and guarantees issued to release tax retention amounts to improve liquidity..

**"Permitted Guarantee"** means:

- (a) any Guarantee or indemnity granted under the Finance Documents;
- (b) granted in respect of any hedging obligation;

- (c) granted by a Restricted Group Company to or for the benefit of any other Restricted Group Company;
- (d) for the benefit of third parties in the ordinary course of trading and operation of the Collateral Rigs; and
- (e) not otherwise permitted by the preceding paragraphs so long as the aggregate amount of the guaranteed liabilities does not exceed USD 15,000,000 (or its equivalent in other currencies) at any time,

provided (in any event) that the Restricted Group Companies can only grant guarantees for or on behalf of Restricted Group Companies.

**"Permitted Loan"** means:

- (a) any trade credit extended by any Restricted Group Company on normal commercial terms and in the ordinary course of trading;
- (b) arising out of any Intercompany Loan or any other loan or credit between Group Companies;
- (c) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes Permitted Financial Indebtedness; and
- (d) not otherwise permitted by the preceding paragraphs so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed USD 15,000,000 (or its equivalent in other currencies) at any time.

**"Permitted Security"** means any Security:

- (a) created under the Transaction Security Documents or otherwise created under the Finance Documents;
- (b) created for any Financial Indebtedness permitted under paragraph (e) and (f) of the definition of Permitted Financial Indebtedness;
- (c) arising by operation of law or in the ordinary course of trading; and
- (d) not otherwise permitted by the preceding paragraphs and in respect of Security over assets not subject to or contemplated to be subject to the Transaction Security so long as the aggregate amount of the Security does not exceed USD 15,000,000 (or its equivalent in other currencies) at any time.

**"Prepayment Event"** means an event where a Collateral Rig is sold or disposed of to a company not being a Restricted Group Company through a direct or indirect disposal of a Collateral Rig or any shares in a Rig Owner.

**"Put Option"** has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Put Option Event"** means a Change of Control Event or a Delisting Event.



**"Put Option Repayment Date"** means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Quarter Date"** means each 31 March, 30 June, 30 September and 31 December.

**"Quiet Enjoyment Letter"** means any quiet enjoyment letter agreement, mortgagee's undertaking or similar arrangement required by any charterer to be entered into by or between the Bond Trustee (on behalf on the Bondholders), the relevant Obligor in relation to any of the Collateral Rigs and the relevant charterer, if required by the charterer, which provides that the Bond Trustee shall not interfere with the free and undisturbed use by the end-user of any of the Collateral Rigs and not exercise any rights as mortgagee provided that the end-user is not in material breach of any of its payment obligations under the relevant drilling contract or as otherwise acceptable to the Bond Trustee.

**"Relevant Jurisdiction"** means the country in which the Bonds are issued, being Norway.

**"Relevant Period"** means each period of 12 consecutive calendar months ending on the last date of the period covered by the most recent Financial Report.

**"Relevant Record Date"** means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 17 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

**"Repayment Date"** means any date for payment of instalments in accordance with Clause 10.1 (*Redemption of Bonds*), any Call Option Repayment Date, any Mandatory Redemption Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

**"Restricted Group"** means Issuer and its Subsidiaries from time to time.

**"Rig Manager"** means a Subsidiary of the Parent or any third party conducting commercial and technical management of any of the Collateral Rigs.

**"Rig Managers' Undertakings"** means, in respect of a Collateral Rig, undertaking from the relevant Rig Manager in favour of the Bond Trustee (on behalf of the Bondholders) pursuant to which the relevant Rig Manager will undertake:

- (a) to manage the relevant Collateral Rig in accordance with the management agreement;
- (b) to subordinate, at all times, all rights, claims or liens they may have against the relevant Collateral Rig or any Obligor to the Secured Obligations (save for:
  - (i) in respect of any third party Rig Manager, a carve-out for payment of in total 2 months' of management fees,

- (ii) ordinary payments for goods and services under the relevant management contract and
  - (iii) with respect to any future management fees in the event that (and from the time) the Bond Trustee has taken enforcement action under the Finance Documents and has not terminated the management agreement in relation to such enforcement); and
- (c) in respect of any Rig Manager which is a member of the Group, not to terminate or amend in any material respect the management agreements without the prior written consent of the Bond Trustee if such amendment or termination could otherwise have a Material Adverse Effect. The Rig Managers' Undertaking shall also include unilateral step-in right and termination right for the Bond Trustee, and otherwise be in form and substance satisfactory to the Bond Trustee, however so that in respect of any Rig Managers' Undertaking provided by a third party Rig Manager such Rig Manager's Undertaking shall be consistent with, and not give the Bond Trustee (on behalf of the Bondholders) any further rights than what follows from, that third party Rig Manager's management agreement, standard terms or general market practice.

**"Rig Owners"** means each of:

- (a) Odfjell Drilling Shetland Ltd, a company incorporated under the laws of Scotland or any of its successors, being a single purpose company and the 100% owner of Deepsea Aberdeen; and
- (b) Deep Sea Atlantic (UK) Ltd, a company incorporated under the laws of England or any of its successors, being a single purpose company and the 100% owner of Deepsea Atlantic.

**"Secured Obligations"** means all present and future liabilities and obligations of the Obligors to any of the Secured Parties under the Finance Documents.

**"Secured Parties"** means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

**"Securities Trading Act"** means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

**"Security"** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Agent"** means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

**"Security Agent Agreement"** means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

**"Security Provider"** means any person granting Transaction Security.

**"Subordinated Loan"** means any loan granted or to be granted to the Parent subject to a subordination statement (to the Bond Trustee) to ensure that (i) such loan is fully subordinated to the Bonds and (ii) that any payment in respect of such loan in cash shall be subject to all present and future obligations and liabilities of the Obligor under the Finance Documents having been discharged in full, other than in case of a Permitted Distribution.

**"Subsidiary"** means a person over which another person has Decisive Influence.

**"Summons"** means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

**"Tax Event Repayment Date"** means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

**"Total Assets"** means the consolidated total assets of the Parent in accordance with the Accounting Standard.

**"Total Liquidity"** means, at any given time, the aggregate amount of (i) Cash and Cash Equivalents (including restricted cash), and (ii) undrawn and available amounts under revolving credit facilities (with more than 6 months to maturity) of the Group, as per the relevant Quarter Date.

**"Total Loss Event"** means an event where there is an actual or constructive total loss of a Collateral Rig.

**"Transaction Costs"** means all fees, costs and expenses and taxes incurred by any member of the Group in connection with the issue of the Bonds, any other financing transaction, the listing of any bonds and any future acquisitions (whether successfully completed or discontinued).

**"Transaction Security"** means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

**"Transaction Security Documents"** means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

**"Voting Bonds"** means the Outstanding Bonds less the Issuer's Bonds.

**"Written Resolution"** means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 17.5 (*Written Resolutions*).

## 1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;

- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of "**law**" are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*);
- (j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is "**continuing**" if it has not been remedied or waived.

## 2. THE BONDS

### 2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of up to USD 390,000,000.
- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 1.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 17.1 (*Authority of the Bondholders' Meeting*).

### 2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

### **2.3 Use of proceeds**

The Issuer will use the Net Proceeds from the issuance of the Bonds for:

- (a) Refinancing of the Existing Debt; and
- (b) the general corporate purposes of the Group.

### **2.4 Status of the Bonds**

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

### **2.5 Transaction Security**

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with, subject to liens arising by operation of law and any mandatory limitations arising under any applicable law, first priority within the times agreed in Clause 6 (*Conditions for Disbursement*):
  - (i) the Escrow Account Pledge;
  - (ii) the Guarantee;
  - (iii) first priority pledge over all of the shares owned by the Group in each Restricted Group Company;
  - (iv) first priority mortgage over each of the Collateral Rigs including all relevant equipment owned by the Rig Owners and being legally part of each of the Collateral Rigs under applicable law (including any declaration of pledge or deed of covenants supplemental to the Mortgage and to the security created under it in favour of the Bond Trustee), subject any applicable Quiet Enjoyment Letter;
  - (v) first priority assignment of all Earnings payable to a Group Company, subject to any Charter Contract and any applicable Quiet Enjoyment Letter;
  - (vi) assignment of any internal Bareboat Charter Contracts for the Collateral Rigs;
  - (vii) first priority assignment over any monetary claims any Restricted Group Company has against any Group Company;
  - (viii) first priority assignment of any Intercompany Loans;
  - (ix) first priority pledge over the Earnings Accounts;
  - (x) first priority floating charge or similar security created by each Restricted Group Company (if permitted in the relevant jurisdiction) and if relevant subject any applicable Quiet Enjoyment Letter;
  - (xi) first priority assignment of all Insurances related to each of the Collateral Rigs payable to the Rig Owners and/or any Restricted Group Company; and

- (xii) each of the Rig Manager's Undertakings.
- (b) Any share pledge in respect of the shares of any company incorporated in Scotland shall be subject to delayed perfection (meaning that the title to those shares will not be transferred to the Bond Trustee or its nominee) such that perfection is only required upon notice being given from the Bond Trustee to the relevant pledgor.
- (c) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (d) The Security Agent is irrevocably authorised to release any Guarantees and Transaction Security:
  - (i) over assets which are sold or otherwise disposed of (directly or indirectly) in any merger, de-merger or disposal permitted in compliance with Clauses 14.8 (*Mergers and de-mergers*) or Clause 14.11 (*Disposals*); and
  - (ii) in relation to any changes of any Rig Owner, Charter Companies or Rig Manager, or any other structural changes in respect of the operation or ownership of any of the Collateral Rigs permitted in compliance with Clause 15.8 (*Management*) and Clause 15.10 (*Ownership of the Collateral Rigs*),

always provided that any new replacement Transaction Security is (where required) granted in favour of the Bond Trustee (on behalf of the Bondholders).

### **3. THE BONDHOLDERS**

#### **3.1 Bond Terms binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

#### **3.2 Limitation of rights of action**

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

### **3.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

## **4. ADMISSION TO LISTING**

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within six (6) months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

### **5.2 Obligation to ensure correct registration**

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

### **5.3 Country of issuance**

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

## **6. CONDITIONS FOR DISBURSEMENT**

### **6.1 Conditions precedent for disbursement to the Issuer**

- (a) Payment of the Net Proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
  - (i) these Bond Terms duly executed by all parties hereto;
  - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and the Issuer and the Parent to execute the Finance Documents to which it is a party;

- (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
  - (iv) copies of the Issuer's by-laws and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing (or similar documentation applicable in its relevant jurisdiction such as a certificate of compliance issued by the Registrar of Companies in Bermuda);
  - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
  - (vi) copies of the Parent's latest Financial Reports (if any);
  - (vii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
  - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
  - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
  - (x) confirmation of acceptance from any process agent;
  - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Rig Manager in connection with the issuance of the Bonds;
  - (xii) the Bond Trustee Fee Agreement duly executed by all parties thereto; and
  - (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The net proceeds from the issuance of the Bonds (on the Escrow Account) may be disbursed to the Issuer in one or two closings related to refinancing of one or both of the Collateral Rigs (as the case may be). The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee and in each case as relevant in connection with each separate closing:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
  - (ii) unless delivered under paragraph (a) above, as pre-settlement conditions precedent:



- (A) copies of all necessary corporate resolutions of each relevant Security Provider (and any other relevant company) required to provide the Transaction Security and execute the Finance Documents to which it is a party;
  - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each relevant Security Provider (and any other relevant company) to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor;
  - (C) copies of the articles of association (to the extent relevant, to include waiver of any pre-emptions rights and with no requirement of consent for the purpose of pledging shares or transferring shares) (or equivalent constitutional documents) and of a full extract from the relevant company register in respect of each relevant Security Provider (and any other relevant company, or similar documentation applicable in its relevant jurisdiction such as a certificate of compliance issued by the Registrar of Companies in Bermuda) required to grant security and execute the Finance Documents evidencing that such company is validly existing;
- (iii) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and (to the extent required) perfection of the Transaction Security; and
  - (iv) the Guarantees provided by the relevant Guarantors, duly executed;
  - (v) evidence that the Existing Debt relating to the relevant Collateral Rig has been, or will be repaid, on or prior to the disbursement date from the Escrow Account and that the relevant security will be released no later than the disbursement date;
  - (vi) if required by the Bond Trustee, a funds flow showing the movement of funds in accordance with the Purpose upon disbursement from the Escrow Account;
  - (vii) documentation evidencing that the amount to be released shall be applied in accordance with Clause 2.3 (*Use of proceeds*);
  - (viii) evidence by way of Insurance policies/cover notes evidencing that the relevant Insurances have been taken out in accordance with the Insurance requirements as set out in the Clause 15.7 below and that the Bond Trustee has been noted as mortgagee in the Insurance policies letters of undertakings from the insurers and a third party Insurance report from BankServe or other third party insurance advisor acceptable to the Bond Trustee;
  - (ix) certificate of ownership and encumbrances from the appropriate authorities showing the registered ownership of the relevant Collateral Rig, and certifying that no other encumbrances, maritime liens, mortgages or debts whatsoever (other than which will be discharged in accordance with the Closing Procedure following the first release of funds from the Escrow Account) are registered against the relevant Collateral Rig;

- (x) customary documents and certificates related to the relevant Collateral Rig, including but not limited to transcript of registry for the relevant Collateral Rig;
  - (xi) up-to-date class certificate related to the relevant Collateral Rig from the classification society;
  - (xii) copy of any executed management agreement relating to the relevant Collateral Rig;
  - (xiii) copy of any Charter Contract relating to the relevant Collateral Rig;
  - (xiv) overview and copies of any internal bareboat or sub-charter agreements, intra-group loans etc.;
  - (xv) confirmation from the Parent that no Event of Default has occurred and is continuing or will result from the disbursement from the Escrow Account;
  - (xvi) any other document, confirmation or evidence reasonably requested by the Bond Trustee; and
  - (xvii) legal opinions or other statements as may be required by the Bond Trustee, including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) as pre-settlement conditions precedent).
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed Closing Procedure between the Bond Trustee and the Issuer.

## **6.2 Disbursement of the proceeds**

- (a) Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*). Perfection of the Transaction Security (except for the Escrow Account Pledge and pledge over shares in any entity incorporated in Scotland) shall be established as soon as possible in accordance with the terms of the Closing Procedure on or immediately after the release of funds from the Escrow Account, including to allow for certain matters to be handled post disbursement, as customary or required for practical reasons.
- (b) If the amount on the Escrow Account is released in two closings, each related to one Collateral Rig (and granting of the mortgage in the same), an amount of 50 per cent of the Issue Amount may be released in the first such closing and the remaining amount in the next closing.
- (c) Without limiting the generality of the foregoing, the Issuer and the Bond Trustee may, under the terms of the Closing Procedure, agree that any conditions precedent (including providing Transaction Security) which are to be delivered by or in respect of any Obligor (other than the Issuer) may be delivered as conditions subsequent, however such

conditions may in no event be delivered later than ten (10) Business Days after first release of funds from the Escrow Account.

## **7. REPRESENTATIONS AND WARRANTIES**

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself and in respect of each Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account.

### **7.1 Status**

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

### **7.2 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

### **7.3 Valid, binding and enforceable obligations**

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

### **7.4 Non-conflict with other obligations**

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with:

- (a) any law or regulation or judicial or official order;
- (b) its constitutional documents; or
- (c) any agreement or instrument which is binding upon it or any of its assets.

### **7.5 No Event of Default**

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event

(howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

#### **7.6 Authorisations and consents**

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

#### **7.7 Litigation**

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

#### **7.8 Financial Reports**

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

#### **7.9 No Material Adverse Effect**

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

#### **7.10 No misleading information**

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

#### **7.11 No withholdings**

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

#### **7.12 Pari passu ranking**

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

#### **7.13 Security**

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

## **8. PAYMENTS IN RESPECT OF THE BONDS**

### **8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

### **8.2 Default interest**

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.

### **8.3 Partial Payments**

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);

- (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
  - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 16.2 (*Acceleration of the Bonds*); or
  - (ii) if a resolution according to Clause 17 (*Bondholders' Decisions*) has been made.

#### **8.4 Taxation**

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
  - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
  - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

#### **8.5 Currency**

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place,

provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

## **8.6 Set-off and counterclaims**

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

## **9. INTEREST**

### **9.1 Calculation of interest**

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
  - (i) the last day in the relevant Interest Period is the 31<sup>st</sup> calendar day but the first day of that Interest Period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
  - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

### **9.2 Payment of interest**

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 Redemption of Bonds**

- (a) The Bonds shall amortize with an amount of USD 20,000,000 (the "**Amortization Amount**") on each Interest Payment Date until, but not including the Maturity Date, in each case at 100 per cent of the Nominal Amount (plus accrued interest on redeemed amount). However, following a redemption due to the occurrence of a Prepayment Event or a Total Loss Event, the Amortization Amount shall be reduced to USD 10,000,000.
- (b) Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.
- (c) Any remaining Outstanding Bonds will be redeemed in full on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
  - (ii) the First Call Date to, but not including, the Interest Payment Date in May 2026 at a price equal to 104.625% of the Nominal Amount for each redeemed Bond (the "**First Call Price**");
  - (iii) the Interest Payment Date in May 2026 to, but not including, the Interest Payment Date in November 2026, at a price equal to 103.700% of the Nominal Amount of the redeemed Bonds
  - (iv) Interest Payment Date in November 2026 to, but not including, the Interest Payment Date in May 2027, at a price equal to 102.775% of the Nominal Amount for each redeemed Bond;
  - (v) Interest Payment Date in May 2027 to, but not including, the Interest Payment Date in November 2027, at a price equal to 101.388% of the Nominal Amount for each redeemed Bond; and
  - (vi) the Interest Payment Date in November 2027 to, but not including, the Maturity Date at a price equal to 100.463% of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
  - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
  - (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.
  - (e) Any redemption notice given in respect of the Call Option may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, in which case the exercise of the Call Option will be automatically cancelled unless such conditions precedent have been satisfied or waived by the Issuer at least three (3) Business Days prior to the Call Option Repayment Date.
  - (f) For the avoidance of doubt, any redemption of Bonds pursuant to the scheduled amortisation payments set out in Clause 10.1 (*Redemption of Bonds*) above shall not be subject to the foregoing.

### **10.3 Mandatory repurchase due to a Put Option Event**

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.



- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 13.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5<sup>th</sup> Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 due to a Change of Control Event, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

#### **10.4 Early redemption option due to a tax event**

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

#### **10.5 Mandatory early redemption due to a Mandatory Redemption Event**

- (a) Upon a Mandatory Redemption Event due to the occurrence of:
  - (i) a Longstop Date Event, the Issuer shall, within 3 Business Days after the occurrence of the Longstop Date Event, redeem all of the Outstanding Bonds at a price of 100 per cent. of the Issue Price plus accrued interest, by *inter alia* applying the funds deposited on the Escrow Account for such redemption;
  - (ii) a Partial Release Event, the Issuer shall immediately redeem 50 per cent. of the Outstanding Bonds at a price equal to 100% of the Issue Price, together with any accrued and unpaid Interest, by, *inter alia*, applying the remaining funds deposited in the Escrow Account for such redemption;
  - (iii) a Prepayment Event, the Issuer shall, no later than 5 Business Days after the occurrence of the Prepayment Event, redeem, in the case the Prepayment Event relates to:
    - (A) one Collateral Rig, 55.00 per cent. of the Outstanding Bonds; or
    - (B) both Collateral Rigs, all Outstanding Bonds,

in each case at a redemption price equal to the First Call Price if the Prepayment Event occurs prior to the First Call Date and at the prevailing Call Option price if such Prepayment Event occurs at the First Call Date or any time thereafter; and

- (iv) a Total Loss Event, the Issuer shall as soon as it receives Insurance proceeds, and in any event no later than 180 days following the Total Loss Event, redeem 55.00 per cent. of the Outstanding Bonds at 100.00 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds).
- (b) Any redemption in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.
- (c) Following a Prepayment Event and subject to redemption of Outstanding Bonds in accordance with paragraph (a)(iii) above, the Bond Trustee shall upon the request and at the cost of the Issuer, release the Security relating solely to the disposed Collateral Rig and/or Rig Owner (if necessary, subject to an agreed closing mechanism between the Issuer and the Bond Trustee (acting in its sole discretion)).

## **11. PURCHASE AND TRANSFER OF BONDS**

### **11.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained, or sold or cancelled in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

### **11.2 Restrictions**

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

## **12. GUARANTEE**

### **12.1 Guarantee and indemnity**

The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Bond Trustee (on behalf of itself and the Secured Parties), as and for its own debt as principal obligor and not merely as a surety (Norwegian: "*selvskyldnergaranti*"), the due and punctual performance of the Secured Obligations, including amounts arising as a result of interests, default interests, costs and expenses;
- (b) undertakes with the Bond Trustee, on behalf of the Secured Parties, that whenever an Obligor does not pay any amount when due under the Finance Documents, the Guarantor shall immediately on demand from the Bond Trustee pay that amount as if it was the principal obligor; and

- (c) agrees to indemnify the Bond Trustee and the Secured Parties immediately on demand from the Bond Trustee in respect of any cost, loss or liability suffered by the Bond Trustee or the Secured Parties due to any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will not exceed the amount which the terms of the Finance Documents and the Secured Parties would otherwise have been entitled to recover.

## **12.2 Continuing Guarantee**

This Guarantee is:

- (a) continuing and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part; and
- (b) in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties.

## **12.3 Reinstatement**

If any payment by an Obligor or any discharge given by the Bond Trustee (whether in respect of the obligations of the Obligor or any security for those obligations or otherwise) is avoided or must be restored as a result of insolvency or any similar event:

- (a) the liability of the Guarantor shall continue as if the payment, discharge, avoidance or repayment had not occurred; and
- (b) the Bond Trustee shall be entitled to recover the value or amount of that security or payment from the Parent, as if the payment, discharge, avoidance or repayment had not occurred.

## **12.4 Waiver of defences**

The obligations of the Guarantor hereunder shall not be affected by any act, omission, matter or thing which would reduce, release or prejudice any of its obligations (without limitation and whether or not known to it, the Bond Trustee or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, an Obligor or other person;
- (b) the release of an Obligor or other person under the terms of any composition or arrangement with any creditor of an Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental) or replacement of the terms of the Finance Documents or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the terms of the Finance Documents or any other document or Security; or

- (g) any insolvency or similar proceedings.

#### **12.5 Immediate recourse**

The Guarantor waives any right it may have of first requiring the Bond Trustee or any Secured Party to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Parent. This waiver applies irrespective of any law or any provision of the terms under the Finance Documents to the contrary.

#### **12.6 Appropriations**

Until all amounts which may be or become payable by the Obligor under or in connection with the Finance Documents have been irrevocably paid in full, the Bond Trustee may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Bond Trustee or a Secured Party in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Parent's liability under this Guarantee.

#### **12.7 Deferral of Parent's rights**

Until all amounts which may be or become payable by an Obligor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Bond Trustee otherwise directs, the Guarantor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from an Obligor under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Bond Trustee or the Secured Parties under the terms of the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents.

#### **12.8 Additional Security**

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Bond Trustee or by a Secured Party.

#### **12.9 Guarantee Limitations**

Notwithstanding the obligations of the Guarantor pursuant to this guarantee, the maximum guarantee liability of the Guarantor hereunder shall always be limited to USD 487,500,000 plus any interest, default interest or other costs, fees and expenses related to the liability of the Guarantor hereunder.

#### **12.10 Norwegian FA Legislation**

The Parent, to the extent it is deemed to be a guarantor pursuant to the Norwegian financial agreements act of 18 December 2020 No. 146 (Nw. *finansavtaleloven*) and the Norwegian regulation on financial agreements of 19 September 2022 No. 1612 (Nw. *finansavtaleforskriften*) (in each case as amended or replaced from time to time) (the "FA

**Legislation**"), specifically waives all rights under the provisions of the FA Legislation not being mandatory provisions.

### **13. INFORMATION UNDERTAKINGS**

#### **13.1 Financial Reports**

- (a) The Parent and the Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year.
- (b) The Parent and the Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 2 months after the end of the relevant interim period.

#### **13.2 Requirements as to Financial Reports**

- (a) The Parent and the Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 13.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer, the chief financial officer, or another authorised signatory of the Parent and the Issuer, certifying, *inter alia*, that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 14.20 (*Financial covenants*) as at such date.
- (b) The Parent and the Issuer shall procure that the Financial Reports delivered pursuant to Clause 13.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

#### **13.3 Put Option Event**

The Parent and the Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

#### **13.4 Listing Failure Event**

The Parent and the Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

#### **13.5 Prepayment Event**

The Parent and the Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Prepayment Event has occurred.

#### **13.6 Total Loss Event**

The Parent and the Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Total Loss Event has occurred.

### **13.7 Information: Miscellaneous**

The Parent and the Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

## **14. GENERAL AND FINANCIAL UNDERTAKINGS**

### **14.1 General**

The Issuer and the Parent (as the case may be) undertake to (and the Parent shall, where applicable, procure that the other Group Companies (where relevant) will, and the Issuer shall, where applicable, procure that the other Restricted Group Companies (where relevant) will) comply with the undertakings set forth in this Clause 14.

### **14.2 Compliance with laws**

The Parent shall, and shall ensure that each Group Company will, comply in all respects with all laws and regulations to which it may be subject from time to time if a failure to do so would have a Material Adverse Effect.

### **14.3 Anti-corruption and sanctions**

- (a) The Parent shall, and shall ensure that each other Group Company will:
  - (i) ensure that no proceeds from the Bond Issue are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption or similar; and
  - (ii) conduct its businesses and maintain policies and procedures in compliance with applicable anti-corruption laws.
- (b) The Parent shall ensure that no Group Company will engage in any conduct prohibited by any sanctions applicable to the Group Company.

#### **14.4 Authorisations**

The Parent shall, and shall ensure that each Group Company will, in all respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time if a failure to do so would have Material Adverse Effect.

#### **14.5 Corporate status**

The Issuer shall not change its jurisdiction of incorporation or formation and the Issuer shall procure that each other Restricted Group Company remains incorporated and formed in an Approved Jurisdiction.

#### **14.6 Single Purpose Company**

- (a) The Issuer shall ensure that any Rig Owner and any Charter Company shall remain single purpose companies with the sole purpose of owning, operating and chartering of the Collateral Rigs (including entering into relevant agreements and arrangements in relation thereto including relevant charter agreements, and employing or hiring in relevant staff and management services as required).
- (b) The Issuer may incorporate new or re-domicile the Rig Owners and Charter Companies provided that it is incorporated in an Approved Jurisdiction and the required Transaction Security is established.

#### **14.7 Ownership**

The Parent shall ensure that it directly or indirectly owns 100% of the shares and voting rights of the Issuer, and the Issuer shall ensure that, subject to mandatory requirements under applicable laws, it directly or indirectly owns 100% of the shares and voting rights of the Rig Owners and the Charter Companies.

#### **14.8 Mergers and de-mergers**

The Parent shall not, and shall ensure that no other Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Parent or any other Group Company with any other person other than a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer or any Group Company;

in either case if such merger, demerger, combination or reorganisation would have a Material Adverse Effect, provided always that (i) if a Restricted Group Company merges with a Group Company, and the surviving entity is not an Obligor, such entity shall become an Obligor and a Restricted Group Company and relevant Transaction Security shall be provided as was provided for the Restricted Group Company, and (ii) no merger involving the Issuer where the Issuer is not the surviving entity shall be permitted.

#### **14.9 Continuation of business**

The Parent shall ensure that no material change is made to the primary nature of the Group's business from that carried out by the Group at the Issue Date provided that any extensions or

developments thereof and any new or ancillary business related to renewable energy or energy transition, decarbonisation, carbon storage or similar shall be permitted.

#### 14.10 **Arm's length transactions**

The Parent shall ensure that:

- (a) no Group Company shall engage, directly or indirectly, in any transaction with any party other than a Group Company (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except on an arm's length basis (or better from the perspective of the Group Company); and
- (b) no Restricted Group Company shall engage, directly or indirectly, in any transaction with any party other than a Restricted Group Company (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except on an arm's length basis (or better from the perspective of the Restricted Group Company).

#### 14.11 **Disposals**

- (a) The Parent shall not, and shall ensure that no Group Company will, sell, transfer or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any person) or operations (taken as a whole) unless the transaction is carried out on an arm's length basis and such disposal or sale does not have a Material Adverse Effect.
- (b) The Issuer shall ensure that any Restricted Group Company shall not sell or otherwise dispose of any assets subject to any Transaction Security other than a Permitted Disposal.

#### 14.12 **Maintain Transaction Security Documents**

The Parent and the Issuer shall ensure that each Group Company shall maintain the Transaction Security Documents in full force and effect, and do all acts which may be necessary to ensure that such security remains duly created, enforceable and (where required) perfected with first priority ranking, creating the security contemplated thereunder, at the expense of the relevant Group Company.

#### 14.13 **Financial Indebtedness restrictions**

The Parent and the Issuer shall ensure that no Restricted Group Company shall incur, create or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

#### 14.14 **Negative Pledge**

The Parent and the Issuer shall ensure that no Restricted Group Company shall create or permit to subsist any Security over any of its assets or enter into arrangements having a similar effect other than Permitted Security.

#### 14.15 **Loans or credit**

The Parent and the Issuer shall ensure that no Restricted Group Company will be a creditor in respect of any Financial Indebtedness, other than any Permitted Loan.



14.16 **No guarantees or indemnities**

The Parent and the Issuer shall ensure that no Restricted Group Company will incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee.

14.17 **Distributions**

The Parent shall not make any Distributions other than a Permitted Distribution;

14.18 **Incorporation of Restricted Group Companies**

The Parent and the Issuer shall ensure that each Restricted Group Company shall be incorporated in an Approved Jurisdiction.

14.19 **Subsidiary distributions**

The Issuer shall not permit any of its Subsidiaries to create any contractual obligation (or encumbrance) restricting the right of any such Subsidiary to pay dividends or make other distributions to its shareholders, other than such contractual obligations which are not reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Terms.

14.20 **Financial covenants**

(a) The Parent shall, on a consolidated basis for the Group, comply with the following financial covenants at all times during the term of the Bonds:

- (i) Equity Ratio of minimum 30%;
- (ii) Free Liquidity of no less than USD 50,000,000; and
- (iii) Current Ratio shall at all times be minimum 1.00:1.00.

(b) The Parent undertakes to comply with the requirements set out in paragraph (a) of this Clause 14.20 at all times, such compliance to be certified by the Parent with a Compliance Certificate in connection with the publication of its Financial Reports.

(c) If the Parent fails (or would otherwise fail) to comply with the requirements set out in paragraph (a) of this Clause 14.20 as at any Quarter Date, and the Parent receives cash proceeds in the form of new equity or a Subordinated Loan (the "**Cure Amount**") within 20 Business Days of the date on which the Annual Financial Statements or the Interim Accounts are due hereunder, then such financial covenant shall be recalculated after giving effect to the following pro forma adjustments:

- (i) **Liquidity:** Cash and Cash Equivalents shall be increased by an amount equal to the Cure Amount; and
- (ii) **Equity Ratio:** Each of Equity and Total Assets shall be increased by an amount equal to the Cure Amount,

and if, after giving effect to the foregoing recalculations, the Issuer is in compliance with the requirements set out in paragraph (a) of this Clause 14.20, the Issuer shall be deemed to have satisfied the requirements set out in paragraph (a) of this Clause 14.20 for such Quarter Date as though there had been no failure to comply with such

requirement, and the applicable breach or default of the relevant requirement(s) set out in paragraph (a) of this Clause 14.20 which had occurred shall be deemed to have been prevented or cured.

- (d) The Issuer shall be limited to a maximum of one (1) financial covenant cure of actual failures to satisfy the requirements set out in (a) of this Clause 14.20 during the term of the Bonds.

## **15. RIG UNDERTAKINGS**

### **15.1 General**

The undertakings in this Clause 15 are granted by the Issuer in respect of the Collateral rigs and remain in force from the date of these Bond Terms and for so long as any amount is outstanding under the Finance Documents.

### **15.2 Compliance with laws - Collateral Rigs**

The Issuer shall ensure that each of the Collateral Rigs is operated in all respects in accordance with applicable laws and regulations and good industry standards if failure to comply would have a Material Adverse Effect.

### **15.3 Earnings**

All Earnings related to each of the Collateral Rigs, any Insurance, sales proceeds, and any other earnings in the Restricted Group's business, in each case payable to the Restricted Group, shall be paid into the relevant Earnings Accounts.

### **15.4 Drilling contracts**

Drilling contracts in respect of each of the Collateral Rigs shall be entered into with the Issuer, the relevant Rig Owner or another Restricted Group Company.

### **15.5 Change of flag**

Each of the Collateral Rigs shall be registered in an Approved Flag State or another ship registry acceptable to the Bond Trustee (in its sole discretion) and maintain class with an Approved Classification Society (free of material overdue recommendations or adverse notations) and consistent with prudent ownership and good and safe industry standards (and where the Bond Trustee shall be given notice of any changes to flag, registry class or name of any of the Collateral Rigs prior to any such changes becoming effective) and provided always that effective Transaction Security over the Collateral Rigs remains in place at all times.

### **15.6 Maintenance**

- (a) Each of the Collateral Rigs and all relevant equipment related thereto are maintained at all times in a manner consistent with prudent ownership and good industry standards.
- (b) During operation of the Collateral Rigs, the Issuer shall ensure that each of the Collateral Rigs is properly maintained and kept in good and safe condition in a manner consistent with prudent ownership and good industry standards so as to:
  - (i) maintain its current class with an Approved Classification Society, free of overdue material recommendations and qualifications; and

- (ii) comply in all material respects with the laws and regulations (statutory or otherwise) applicable to units registered under the flag state of the Collateral Rigs and in any jurisdiction in which the Collateral Rigs may operate from time to time.
- (c) The Issuer shall submit or cause the Collateral Rigs to be submitted to such periodic or other surveys as may be required for classification purposes and to ensure full compliance with regulations of the relevant flag state of the Collateral Rigs.

### **15.7 Insurance of the Collateral Rigs**

- (a) Insurance of the Collateral Rigs shall be taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate Insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction and consistent with industry standards (the Collateral Rigs to be insured in aggregate at the higher of no less than 100% of the Market Value and 120% of the Issue Amount under the Bonds outstanding, which includes:
  - (i) Hull and Machinery, Protection & Indemnity, Hull Interest and/or Freight Interest and War Risk;
  - (ii) has Insurance value of the Collateral Rigs equal to or higher than one hundred and twenty per cent. (120.00%) of the amounts outstanding under the Finance Documents less any amount on the Escrow Account, at any time; and
  - (iii) and loss payee clauses with a major casualty threshold amount of USD 20,000,000.
- (b) The Bond Trustee to take out a Mortgagee's Interest Insurance (MII) in an amount equal to 120% of the Issue Amount and, other than for a Collateral Rig that operates in Norway, Mortgagee's Additional Perils (Pollution) Insurance (MAPI) at the expense of the Issuer in the amount equal to 60% of the Issue Amount if for one Collateral Rig, otherwise equal to 120% of the Issue Amount. If any of the Collateral Rigs is employed in US waters, the Issuer shall deliver a copy of a Certificate of Financial Responsibility.

### **15.8 Management**

The Issuer shall ensure:

- (a) that commercial and technical management in respect of each of the Collateral Rigs are undertaken by a Rig Manager and that such Rig Manager provides a Manager's Undertaking, provided that if the relevant Rig Manager is not a Group Company, the Issuer shall take commercially reasonable efforts to procure that such third party Rig Manager provides a Manager's Undertaking; and
- (b) not to terminate or amend in any material respect any management agreement with a Rig Manager to the extent this would have a Material Adverse Effect without first obtaining the prior written consent from the Bond Trustee (acting in its sole discretion).

### **15.9 Technical inspection**

The Issuer shall upon request of the Bond Trustee (if so instructed by Bondholders holding in aggregate no less than 30% of the Outstanding Bonds), arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee:

- (a) to, at the expense of the Issuer (however limited to maximum one yearly inspection unless an Event of Default has occurred and is continuing), undertake a technical inspection of any of the Rigs without interference of the daily operation of the relevant Collateral Rig; and
- (b) give access to the class records and any inspection reports performed in respect of the relevant Collateral Rig and disclose any such documentation upon request of the Bond Trustee.

### **15.10 Ownership of the Collateral Rigs**

The Issuer shall ensure that the Collateral Rigs remains owned by a Rig Owner, provided that this shall not apply to;

- (a) any disposal of a Collateral Rig to another Restricted Group Company provided always that effective Transaction Security remains in place at all times and the Restricted Group Company which acquires that Collateral Rig is or becomes a Rig Owner upon such disposal; or
- (b) any disposal of any of the Collateral Rigs or any Restricted Group Company directly or indirectly owning a Collateral Rig where the relevant amount of the Bonds are redeemed in accordance with the Mandatory Prepayment provisions.

### **15.11 Sustainable recycling of Collateral Rigs**

The Issuer shall ensure that the Collateral Rigs and any other rig owned or controlled by the Group or sold to an intermediary with the intention of being dismantled, scrapped or recycled, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 and/or EU Ship Recycling Regulation, 2013.

### **15.12 Arrest**

The Issuer shall ensure promptly to either dispute or pay and discharge all liabilities which are due and which give or are reasonably likely to give rise to maritime or possessory liens on or claims enforceable against any of the Collateral Rigs, its Insurances or Earnings, all tolls, taxes, dues, fines, penalties and other amounts charged in respect of any of the Collateral Rigs, its Insurances or Earnings, and all other outgoings whatsoever in respect of the Collateral Rigs, its Insurances or Earnings, and forthwith upon receiving a notice of arrest of any of the Collateral Rigs, or their detention in exercise or purported exercise of any lien or claim, it shall procure its release by remedying, disputing or providing bail or Security in relation to such arrest or detention.

### **15.13 Cancellation of Charter Contract**

- (a) If one or more Charter Contracts for a Collateral Rig is cancelled prior to expiry of its fixed term, the Issuer shall procure transfer of all fees and reimbursements paid to the

Group under the Charter Contract resulting from such cancellation (however such cancellation, fees or reimbursements are described in the Charter Contract) up to an amount equal the 50% of each of the interest on and the scheduled Amortization Amounts under the Bonds for the period from the effective date of the relevant cancellation and until the expiry of the fixed term under the relevant Charter Contract (or 100% for any overlapping period in which this clause applies with respect to both Collateral Rigs), to a bank account that is pledged and blocked in favour of the Bond Trustee (on behalf of the Bondholders) (the "**Cancellation Fee Account**"), and the proceeds on the Cancellation Fee Account may only be released to either (at the Issuer's discretion):

- (i) pay 50% of each of the interest on and the Amortization Amounts under the Bonds as they fall due (or 100% for any overlapping period in which this clause applies with respect to both Collateral Rigs); or
  - (ii) settle payment under a public tender of Bonds by the Issuer (made by way of public notice to all Bondholders equally provided they may lawfully participate without requirement for any registration or prospectus) at a price of no less than 100% of the Nominal Amount and with a reasonable time period for acceptance (the "**Bond Tender**"). Funds on the Cancellation Fee Account not utilised to settle the Bond Tender due to lack of acceptance of the Bond Tender by the Bondholders, shall be released to the Issuer.
- (b) If a new Charter Contract to the relevant Collateral Rig is entered into for a term beyond the scheduled fixed term of the cancelled Charter Contract, the funds on the Cancellation Fee Account may be released to the Issuer.

## **16. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

### **16.1 Events of Default**

Each of the events or circumstances set out in this Clause 16.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being

remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or any other Obligor under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for an Obligor:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 25,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer or any other Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
  - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its payment obligations under these Bond Terms; or
  - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or

- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 16.1 (d) (*Cross default*) above; or
- (E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of an Obligor having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

## **16.2 Acceleration of the Bonds**

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 16.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

## **16.3 Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 16.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

## **16.4 Calculation of claim**

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in paragraph (a) of Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of Clause 16.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

## **17. BONDHOLDERS' DECISIONS**

### **17.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 18.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 19.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

### **17.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:



- (i) the Issuer;
- (ii) Bondholders representing at least 1/10 of the Voting Bonds;
- (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
- (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative

has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **17.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 17, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

#### **17.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 17.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 17.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 17.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 17.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

#### **17.5 Written Resolutions**

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 17.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), 17.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 17.3 (*Voting rules*) and Clause 17.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 17.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 17.5,

shall not apply to a Written Resolution.

- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 17.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 17.1 (*Authority of Bondholders' Meeting*).

## **18. THE BOND TRUSTEE**

### **18.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

### **18.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.

- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 18.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

### **18.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

### **18.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
  - (i) acting in accordance with advice from or opinions of reputable external experts;  
or
  - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.

- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligor, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 16.3 (*Bondholders' instructions*) or Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

## **18.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 17 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 18.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 18.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee

undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## **18.6 Security Agent**

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 18.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

## **19. AMENDMENTS AND WAIVERS**

### **19.1 Procedure for amendments and waivers**

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:



- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

## **19.2 Authority with respect to documentation**

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

## **19.3 Notification of amendments or waivers**

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 19, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 19.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

## **20. MISCELLANEOUS**

### **20.1 Limitation of claims**

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

### **20.2 Access to information**

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

### **20.3 Notices, contact information**

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
  - (i) if by letter, when delivered at the address of the relevant party;
  - (ii) if by e-mail, when received; and
  - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
  - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
  - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
  - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

## 20.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
  - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
  - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 13.2 (*Requirements as to Financial Reports*), Clause 13.3 (*Put Option Event*), Clause 13.5 (*Information: miscellaneous*) and Clause 14 (*General and Financial Undertakings*);
  - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
  - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 20.4 may not be reversed.

## 21. GOVERNING LAW AND JURISDICTION

### 21.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

### 21.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with

respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

### **21.3 Alternative jurisdiction**

Clause 21 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

### **21.4 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
  - (i) irrevocably appoints Odfjell Drilling AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
  - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

**SIGNATURES:**

**The Issuer:**

**ODFJELL RIG III LTD.**



By: **Madeleine L. Finstad**  
Position: **Attorney-in-fact**

**As Parent and Guarantor:**

**ODFJELL DRILLING LTD**



By: **Madeleine L. Finstad**  
Position: **Attorney-in-fact**

**As Bond Trustee and Security Agent:**

**NORDIC TRUSTEE AS**

.....

By:

Position:

**SIGNATURES:**

**The Issuer:**

**ODFJELL RIG III LTD.**

**As Parent and Guarantor:**

**ODFJELL DRILLING LTD**

.....

By:

Position:

**As Bond Trustee and Security Agent:**

**NORDIC TRUSTEE AS**

.....

By:

**Lars Erik Lærum**

Position:

Authorised signatory

.....

By:

Position:

**ATTACHMENT 1  
COMPLIANCE CERTIFICATE**

[date]

**Odfjell Rig III Ltd. 9.25% Senior Secured Callable Bond Issue 2023/2028 ISIN NO0012921172**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 14.20 (*Financial covenants*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 13.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 14.20 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

**ODFJELL RIG III LTD.**

\_\_\_\_\_

Name of authorised person

*Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]*

**ATTACHMENT 2**  
**RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**Odfjell Rig III Ltd. 9.25% Senior Secured Callable Bond Issue 2023/2028 ISIN NO0012921172**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw [Alt 1: the amount specified in Enclosure I (*Flow of Funds*)]/[Alt 2: all amounts] from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

**ODFJELL RIG III LTD.**

\_\_\_\_\_

Name of authorised person

*Enclosure I: Flow of Funds*