



## Norwegian Air Shuttle ASA

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**Listing of new Shares on Oslo Børs issued through conversion of debt to Shares**

**Listing of Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds on Oslo Børs**

Norwegian Air Sh ASA 20/PERP 0% USD CONV  
ISIN NO0010883515

Norwegian Air Sh ASA 20/PERP 0% EUR CONV  
ISIN NO0010883416

Norwegian Air Sh ASA 20/PERP 0% SEK CONV  
ISIN NO0010883473

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**NO SECURITIES ARE OFFERED OR SOLD PURSUANT TO THIS SECURITIES NOTE.**

Investing in Shares, Bonds and other securities issued by the Issuer involves a particularly high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" when considering an investment in the Company. The Company has been severely impacted by the current outbreak of COVID-19. In a very short time period, the Issuer has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. It is not possible to predict the outcome of the ongoing restructuring process, including the nature or extent of future business operations nor debt level, capitalisation or funding; the aim is to substantially reduce the debt level, reduce the size of operations and re-capitalize the Group with debt and equity. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021. Even if the Company should be able to conclude on the current restructuring process, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with creditors, reduce debt, access financing and working capital and regain normalized operations.

## IMPORTANT INFORMATION

This Securities Note (the “**Securities Note**”) has been prepared in connection with listing on Oslo Børs (the “**Listing**”) of (i) new shares each with a par value of NOK 10 (“**Shares**”) issued by Norwegian Air Shuttle ASA (“**Norwegian**”, the “**Company**” or the “**Issuer**”, and together with its direct and indirect subsidiaries, the “**Group**”) as a result of conversion of debt to Shares, and (ii) the USD/EUR/SEK zero coupon perpetual subordinated convertible bonds (the “**Bonds**”) issued by Norwegian on 22 May 2020 with a tap issue on 2 October 2020. The Securities Note has been approved by the Financial Supervisory Authority of Norway (Norwegian: *Finanstilsynet*) (the “**Norwegian FSA**”), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Securities Note. This Securities Note is valid for a period of up to 12 months following its approval by the Norwegian FSA. This Securities Note should be read together with the registration document dated 14 January 2021 (the “**Registration Document**”) and the summary dated 14 January 2021 (the “**Summary**”), both prepared and issued by the Company, which together with this Securities Note constitute a prospectus (the “**Prospectus**”). The Prospectus has been prepared in order to provide information about the Issuer and its business in relation to the Listing and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the “**EU Prospectus Regulation**”). The Prospectus has been prepared solely in the English language. Prospective investors must make their own assessment as to the suitability of investing in the Shares and Bonds.

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On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

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Only the Issuer is entitled to procure information about conditions described in this Securities Note. Information procured by any other person is of no relevance in relation to this Securities Note and cannot be relied on.

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Unless otherwise stated, this Securities Note is subject to Norwegian law. In the event of any dispute regarding this Securities Note, Norwegian law will apply.

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Other than in compliance with applicable United States securities laws, no offers or sales of securities are being made or will be made, directly or indirectly, in the United States. The Shares and Bonds will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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In certain other jurisdictions, the distribution of this Securities Note as well as sale and purchase of securities issued by the Group may be limited by law, for example in Canada, Japan and in the United Kingdom. Verification and approval of this Securities Note by the Norwegian FSA does not imply that this Securities Note (and the Prospectus) may be used in any other jurisdiction than Norway. No measures have been taken to obtain authorisation to distribute this Securities Note in any jurisdiction where such action is required. Persons that receive this Securities Note are ordered by Norwegian and the Manager to obtain information on and comply with such restrictions.

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This Securities Note is not an offer to sell or a request to buy Shares, Bonds and any other securities of the Group. The content of this Securities Note does not constitute legal, financial or tax advice and bondholders should seek legal, financial and/or tax advice.

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Copies of this Securities Note can be obtained by contacting the Issuer.

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#### **Factors which are material for the purpose of assessing the market risks associated with Shares and Bonds**

The Shares and Bonds may not be a suitable investment for all investors. Each potential investor in the Shares and Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Shares and Bonds, the merits and risks of investing in the Shares and Bonds and the information contained or incorporated by reference in this Securities Note and/or the Registration Document or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and Bonds and the impact the Shares and Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Shares and the Bonds and be familiar with the behaviour of the financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### **NO SECURITIES ARE OFFERED OR SOLD PURSUANT TO THIS SECURITIES NOTE.**

Investing in Shares, Bonds and other securities issued by the Issuer involves a particularly high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider "Risk factors" set out in this Securities Note dated 14 January 2021 and Registration Document dated 14 January 2021 when considering an investment in the Company. The Company has been severely impacted by the current outbreak of COVID-19. In a very short time period, the Issuer has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. It is not possible to predict the outcome of the ongoing restructuring process, including the nature or extent of future business operations nor debt level, capitalisation or funding; the aim is to substantially reduce the debt level, reduce the size of operations and re-capitalise the Group with debt and equity. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021. Even if the Company should be able to conclude on the current restructuring process, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with creditors, reduce debt, access to financing and working capital and regain normalized operations.

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## 1. RISK FACTORS

*Investing in Shares or Bonds issued by Norwegian involves a particular high degree of risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, which may adversely affect the value of the Shares and Bonds as well as the Issuer's ability to perform its obligations under the Bonds and/or cause investors in the Bonds into which the Bonds may be converted in the option of the holder of the same) to lose all or part of invested capital.*

*In each category below, the Issuer sets out the most material risk, in the Issuer's assessment, taking into the negative impact of such risk on the Issuer and the bonds and the probability of its occurrence. Please refer to the Registration Document dated 14 January 2021 for a listing of Issuer specific risk factors.*

*For the definitions of capitalised terms used throughout this Securities Note, see Section 9 "Definitions".*

### 1.1 General on risks related to the Shares and Bonds

Investing in Shares, Bonds and other securities issued by the Issuer involves a particularly high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider "Risk factors" set out in this Securities Note dated 14 January 2021 and Registration Document dated 14 January 2021 when considering an investment in the Company. The Company has been severely impacted by the current outbreak of COVID-19. In a very short time period, the Issuer has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. It is not possible to predict the outcome of the ongoing restructuring process, including the nature or extent of future business operations nor debt level, capitalisation or funding. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021. Even if the Company should be able to conclude on the current restructuring process, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with creditors, access to financing and working capital and regain normalized operations.

### 1.2 Risks related to the Bonds

#### ***Risks related to the Bonds being perpetual***

The Bonds are perpetual with no fixed maturity date and are only redeemable at the option of the Issuer in certain limited circumstances, or at the option of each Bondholder by exercising its right to convert such Bonds into Shares (whereupon the resulting conversion Shares delivered to such Bondholder shall represent consideration for such redemption and no cash payment will be made). Furthermore, there are no enforceable events of default under the agreement governing the Bonds (the "Bond Terms"). Bondholders will therefore be unable to accelerate the maturity date of the Bonds, or take other actions against the Issuer to preserve their investments, even if the financial condition of the Issuer materially deteriorates.

The Bonds are only subject to forced repayment in case of final liquidation or final winding-up of the Issuer. The Bonds constitute direct, unsecured and deeply subordinated obligations of the Issuer.

All claims in respect of the Bonds will rank as described in the Bond Terms, and shall rank *pari passu* between themselves and any obligation that ranks or is expressed to rank *pari passu* with the Bonds ("Parity Obligations"). The Bonds rank ahead of payments to holders of all classes of share capital of the Issuer in their capacity as such holders and any other obligation of the Issuer expressed by its terms as at its original issue date to rank, or which pursuant to Norwegian law will rank, junior to the Bonds and the Parity Obligations

(subject to that the Bonds attract no periodic payments, as set out in “**Convertible, zero coupon Bonds**” below, and have no fixed maturity date as set out above). The Bonds shall rank junior in right of payment to any present or future claims of all unsubordinated creditors of the Issuer, and to all subordinated creditors of the Issuer whose rights are expressed to rank senior to the Bonds and the Parity Obligations.

The Bondholders may lose their investment in the Bonds entirely or partly if the Issuer’s assets upon final liquidation of the Issuer are insufficient to cover the claims of more senior-ranking creditors and/or Parity Obligations in full, or as a consequence of the ongoing examinership and reconstruction processes, pursuant to which debt claims of the company may be subject to, *inter alia*, cram-down and/or conversion to equity or equity-like instruments. Furthermore, the amount of any claim derived from the outstanding Bonds due for payment upon final liquidation shall be calculated as if all outstanding Bonds had been converted into Shares on the date of such final liquidation, at the conversion price in effect at such time plus the amount of any accrued but unpaid interest (the “**Claim**”). To the extent the nominal amount of the outstanding Bonds as of such date exceeds the amount of the Claim, no other payment or settlement in any form shall be made in lieu of such excess, and the Bondholders shall have no further rights to or in respect of such excess.

### ***Convertible, zero coupon Bonds***

The Bonds do not accrue interest, and as set out above are redeemable only in certain limited circumstances, subject to that any Bondholder may elect to convert its Bonds into Shares on 10 business days’ notice - as such, an investment in the Bonds will bear many similarities with an investment in the Shares.

Notwithstanding the foregoing, in the event that the conversion rights under the Bonds expire prior to being extended by a general meeting of the Issuer each outstanding Bond shall accrue interest payable in kind at a rate of 20 percentage points per annum, and in such event the Issuer shall not be permitted to make any dividend, interest, distribution or payment in respect of Parity Obligations, any class of share or any other obligation of the Issuer which ranks junior to the Bonds. Furthermore, the Issuer will be unable to redeem the Bonds in such circumstances for a period of five years from the date of the date on which conversion rights expire. This mechanism seeks to address that Norwegian law does not permit the issuance of convertible instruments with conversion periods of longer than five years from issuance. The foregoing is an incentive to the Issuer and its shareholders to ensure that conversion rights are extended prior to expiry. As of the date of this Securities Note, the scheduled date of expiry of conversion rights is 20 May 2025, subject to any intervening extension of such date by the general meeting of the Issuer.

### ***Risks related to the market for the Bonds***

There are currently only a limited number of holders and Bonds. There is no existing market for the Bonds and there can be no assurance given regarding the future development of a trading market for the Bonds. There is a risk that the value of the Bonds may decrease due to the changes in the Group, its financial position as well as relevant market risk factors. As the Group is currently in adverse financial distress and subject to ongoing examinership/reconstruction processes, with a highly uncertain outcome, the risk related to of the possible restructuring of the Bonds is particularly high and may adversely affect the price and value of the Bonds. Furthermore, the price of a single bond issue will, generally, fluctuate due to general developments in the financial markets, as well as, specifically, investor interest in (and, thus, the liquidity of) the Bonds and the passenger traffic market in which the Group is engaged. Accordingly, there is a risk that the value of the Bonds may decrease in spite of an underlying positive development in the Issuer’s business activities.

No market-maker agreement is entered into in relation to the issue of the Bonds, and the liquidity of the Bonds will at all times depend on the market participants view of the value of the Shares. Potential investors should note that it may be difficult or even impossible to trade and sell the Bonds in the secondary market.

### ***The value of the Bonds is volatile***

The market value of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group’s operating results and those of their competitors, adverse business developments,

changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors including the Issuer's ongoing restructuring. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market value of the Bonds without regard to the Issuer's operating results, financial condition or prospects.

#### ***Dependency on subsidiaries, associates and joint ventures***

The Group's ability to pay any amounts due on the Bonds (applicable only in the event of (i) voluntary redemption of the Bonds at the option of the Issuer when less than 15 per cent. of the aggregate nominal amount of the Bonds issued on the Issue Date remains outstanding, (ii) five years after the conversion right expiry date or (iii) on a final liquidation of the Issuer) is, to a significant extent, dependent on the financial performance of its subsidiaries, associates and joint ventures and will depend upon the level of distributions, interest payments and loan repayments, if any, received from its operating subsidiaries, associated undertakings and joint ventures, any amounts received on disposals of assets and equity holdings and the level of cash balances. Certain of the Group's operating subsidiaries, associated undertakings and joint ventures are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such subsidiaries or associated undertakings. Reference is made to the adverse financial distress and the ongoing examiner/reconstruction process described elsewhere in the Prospectus, which makes such risks particularly high.

#### ***Risks related to individual bondholder lack of right to have its Bonds redeemed in case of any change of control or change of ownership in the Issuer***

The Bond Terms do not include a right for the Bondholders to demand repayment in the event of a change of control in the Issuer. A change of control or change of ownership in the Issuer could lead to a new owner incorporating a change in strategy, management, risk or business model which may negatively affect the Issuer's ability to redeem the Bonds. In addition, certain of the Issuer's contractual and financial arrangements may be subject to change of control or change of ownership provisions, which may cause termination or amended terms and which in turn may have a material adverse effect on the Issuer's business, financial position, results of operations, future prospects, or its ability to redeem the Bonds.

#### ***Risks related to amendments of the Bonds Terms and remedies afforded to the bondholders***

The bond trustee for the Bonds (the "Bond Trustee") may agree, without the consent of the bondholders, to certain modifications to the Bond Terms and other related bond finance documents (as defined in the term sheet). Pursuant to the Bond Terms, remedies afforded to the Bondholders are vested with the Bond Trustee, thus preventing individual bondholders from taking separate action. The Bond Trustee will be required to act in accordance with instruction given by a relevant majority of bondholders, but is also vested with discretionary powers. The Bondholders face a risk that the Bond Trustee will agree to changes or amendments, or take actions, without the explicit consent of each of the Bondholders.

#### ***Risk related to tax classification of the Bonds***

For Norwegian tax purposes, the Bonds will be regarded as a "hybrid instrument" on account of having characteristics of both debt and equity. The tax treatment of the Bonds for both the Issuer and Bondholders will under the current Norwegian tax legislation as such depend on an overall assessment of whether the Bonds have more in common with debt or equity. Should Norwegian tax authorities take the stance that the Bonds shall be treated as equity for Norwegian tax purposes, this will entail that interest payments will not be deductible for the Issuer, and interest received by Bondholders will be regarded as return on equity for Norwegian tax purposes.

#### ***Exchange rate fluctuations could adversely affect the value of the Shares into which the Bonds convert and any dividends paid on the Shares for investors whose principal currency is not NOK***

Notwithstanding that the Bonds are denominated in EUR, SEK and NOK, these currencies are converted into NOK at a fixed exchange rate set out in the Bond Terms in order to calculate the number of Shares into which the Bonds shall convert on an exercise of conversion rights. The Shares are traded in NOK on the Oslo Stock Exchange, and any future payments of dividends on the Shares will be denominated in NOK. Exchange rate movements of NOK will therefore affect the value of the Bonds and any Shares into which the Bonds may be converted for investors whose principal currency is not NOK.

### ***Risks related to COVID-19 impact on the Issuer***

COVID-19 has had, and is expected to continue to have, a significant impact on the Issuer's financial condition and operations, which impacts the Issuer's ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including by air), is expected to continue to materially adversely impact the Issuer's results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and company value. The Issuer's ability to return to normal operations is dependent upon, among other things, the outcome and consequences of the current examinership and reconstruction process, COVID-19, the developments on travel restrictions and the demand for the Issuer's services. The COVID-19 situation is continuously changing and new laws and regulations that affect the Issuer's operations may enter into force. No assurance can be given regarding if and when the Group may return to normalized operations, and the Group expects that any future business will be materially more limited and different as per pre-COVID-19. Reference is made to the adverse financial distress and the ongoing examinership/reconstruction process described elsewhere in the Prospectus, which makes such risks particularly high.

### **1.3 Risks related to the Shares**

#### ***Significant increase in number of Shares***

As described in the Registration Note, the Issuer has entered into an Irish examinership process and a Norwegian reconstruction process with an aim of resizing the balance sheet of the Issuer and attracting further investment in the Group. In this regard, the shareholders of the Issuer have at an Extraordinary General Meeting held on 17 December 2020 (the "EGM") approved conversion of some or all of the Group's existing senior loans (up to NOK 5.18 billion), lease debt (up to NOK 31.73 billion), aircraft financing liabilities (up to NOK 21.62 billion) and other current and non-current liabilities (up to NOK 14.84 billion) to Shares should such conversion be agreed/accepted with relevant creditors, resulting in an aggregate capital increase of up to approximately NOK 146.8 million (such debt to equity conversions being the "Debt Conversion" any Shares issued pursuant thereto being "Conversion Shares"). Furthermore, the shareholders of the Issuer have at the EGM approved a rights issue of up to 800 million Shares to be implemented at the discretion of the board of directors, resulting in a share capital increase of up to NOK 8 million (the "Rights Issue", and together with the Debt Conversion, the "Refinancing"), as well as to grant wide authorization the board of directors to issue Shares (increasing share capital by up to NOK 198,666,435) and financial instruments convertible into Shares (increasing share capital by up to NOK 198,666,435). No commitments or agreements have been entered into with respect to the Refinancing, and hence there is significant uncertainty to whether the Refinancing, or any part thereof, could be implemented - or on what terms such Refinancing, or any part thereof, could be completed. See in particular section 4.7 of the Registration Document dated 14 January 2021 for Phase 2 Restructuring and risk factors for the Company's indicative plan to emerge from the restructuring process and the risks, possible effects and consequences thereof. There is therefore material risk related to the future of the Group and the capitalisation thereof.

The abovementioned measures will, if approved and implemented, significantly increase the number of issued Shares in the Issuer (any such new Shares issued being "New Shares"), thus diluting the existing shareholders adversely. Previous examinerships/reconstructions have shown that creditors have gained most of the shareholdings, while existing shareholders of such companies have been left with only an insignificant shareholding.



Furthermore, a significant number of the New Shares may be issued to creditors of the Issuer that may not have a long-term ownership horizon and may have an intention to sell the Conversion/New Shares they receive. Although some amount of the Conversion/New Shares may be subject to lock-up regulations, such lock-up would be temporary and may be breached and would furthermore may be subject to certain exemptions. Sale of a substantial number of the New Shares, or the expectation of such sale, may have a material negative effect on the trading price of the Issuer's Shares - or even the ability for shareholders to sell their shares at attractive terms, in a timely fashion or at all.

***The amount of debt to be converted in the Refinancing is not fixed***

The Debt Conversion is not agreed or executed - nor are the amounts finally determined. Amounts of debt to be converted to equity or equity-like instruments and the terms thereof are therefore not set and may change.

***The Rights Issue is not guaranteed nor are terms of the Rights Issue decided***

The terms of the Rights Issue are not decided, nor has any agreement been entered into with respect to any commitment or guarantees to subscribe for New Shares. Consequently, it is not possible to predict the number of New Shares to be issued, at what subscription price such Shares will be issued, the amount of proceeds the Company will receive - or whether the Rights Issue will be initiated or completed at all.

***Uncertainty relating to the trading price of the Shares***

The Issuer has been severely impacted by the current outbreak of the COVID-19 which has also led to a significant reduction in the trading price of the Shares. In addition, the Shares have been subject to significant volatility and price movements since the COVID-19 outbreak. There can be no guarantee regarding the future development of the trading price of the Shares. The fluctuations in the trading price, the extraordinary market conditions and the extraordinary and distressed financial situation of the Issuer result in lower visibility on the future and could have an adverse effect on how the Shares are priced in the market. There is a material risk that the Shares will trade below the conversion price in respect of the Bonds from time to time, and thus may result in a loss on an investment in the Shares.

***Ownership restrictions - non-EEA nationals***

The Issuer is subject to ownership restrictions whereby shareholders who are not EEA nationals owning or controlling the Issuer or any of its subsidiaries may potentially cause the Issuer's and/or its subsidiaries' authorizations to carry out air traffic operations to be annulled or temporary revoked on the grounds of violation of provisions in bilateral civil aviation agreements or violation of statutory rules. The Issuer's articles of association therefore entitle its Board of Directors to require shareholders that are non-EEA nationals to sell their shares insofar as this is necessary to ensure that the Issuer no longer violates the above-mentioned provisions regarding ownership and control. In the alternative, the Issuer may demand that the shares are sold to the Issuer or that the Issuer shall redeem the shares by reduction of the Issuer's share capital at a purchase price or redemption price (as applicable) fixed to the closing price at the Oslo Stock Exchange as per the day prior to the acquisition or redemption (as applicable) is taking place, deducted by 25 percent. As prior conversions and the proposed Debt Conversion may have resulted or in future result in new non-EEA nationals as shareholders in the Issuer, this may negatively affect the Issuer's and/or its subsidiaries' authorizations to carry out air traffic operations. The Issuer may, for the same reason, be required to accept deviations from the agreed lock-up undertakings of such shareholders.

***Exercise of voting rights and other shareholder rights***

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to instruct their nominees to vote for such Shares unless their beneficial ownership is re-registered in their names with the VPS prior to the general meetings and may not be able to benefit from other shareholder rights, such as any preferred allocation and/or preferential rights in connection with any future offerings. The Group can provide no assurances that beneficial owners of the Shares will receive

the notice of a general meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or to vote their Shares in the manner desired by such beneficial owners. Hence, there is a risk that beneficial owners of Shares may not be able to exercise their voting rights or other shareholder rights or benefit from any preferred allocation in future offerings.

***The Issuer may need additional capital which may have a substantial dilutive effect***

The Issuer is currently in an adverse and distressed financial situation and needs significant further capital. The Phase 2 Restructuring (as further described in the Registration Document dated 14 January 2021) has the potential to materially dilute existing shareholders in the Company. Such capital could consist of new equity, equity-like securities which may have a substantial dilutive effect on issued Shares and a materially negative effect on the trading price of the Shares. Furthermore, the Issuer may need to convert additional debt into equity in order to solve discussions with its creditors which may have a further substantive dilutive effect on issued Shares and a material negative effect on the trading price of the Shares. Please also refer to the risk factor *Significant increase in number of Shares* for more information on future capital increases.

## **2. PERSONS RESPONSIBLE**

### **2.1 Persons responsible for the information**

Persons responsible for the information contained in this Securities Note:

Norwegian Air Shuttle ASA, with registered office at Oksenøyveien 3, 1366 Lysaker, Norway.

### **2.2 Declaration by persons responsible**

Norwegian Air Shuttle ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

14 January 2021

**The Board of Directors of Norwegian Air Shuttle ASA**

**Niels Smedegaard**  
*Chair*

**Sondre Gravir**  
*Board member*

**Ingrid Elvira Leisner**  
*Board member*

**Margaret Christine Browne**  
*Board member*

**Geir Olav Øien**  
*Board member*

**Eric Holm**  
*Board member*

**Katrine Gundersen**  
*Board member*

**Jaan Albrecht Binderberger**  
*Board member*

**Vibeke Hammer Madsen**  
*Board member*

### **3. CORPORATE INFORMATION AND CERTAIN ASPECTS OF NORWEGIAN CORPORATE LAW**

*The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's Articles of Association and Norwegian law in effect as of the date of this Securities Note. Any change in the Articles of Association is subject to approval by a General Meeting. This summary does not intend to be complete and is qualified in its entirety by the Articles of Association and Norwegian law.*

#### **3.1 Company corporate information**

The Company's legal and commercial name is Norwegian Air Shuttle ASA. The Company is a public limited liability company organized under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act. The Company was incorporated on 22 January 1993. Its organisation number in the Norwegian Register of Business Enterprises is 965 920 358. The Company's legal entity identifier ("LEI") is 549300IEUH2FEM2Y6B51.

The Company's registered office address and place of business is at Oksenøyveien 3, 1366 Lysaker, Norway. The Company's postal address is P.O. Box 115, 1330 Fornebu, Norway. The Company may be reached via tel. +47 67 59 30 00, and its website is [www.norwegian.com](http://www.norwegian.com). The information at [www.norwegian.com](http://www.norwegian.com) does not form part of this Securities Note unless that information is incorporated by reference into this Securities Note.

#### **3.2 The Shares**

##### **3.2.1 Share capital**

As of the date of this Securities Note, the Company's registered share capital is NOK 397,493,660, divided into 39,749,366 Shares each with a nominal value of NOK 10. All the Shares are issued and fully paid. On 17 December 2020, the EGM approved a reverse Share split in the ratio of 100:1, such that the nominal value of the Shares was increased from NOK 0.10 to NOK 10, and following a creditor notice period of six weeks, a reduction in the nominal value from NOK 10 to approximately NOK 0.01 will occur. The nominal value of the Shares following the reduction in the share capital will depend on the Company's aggregate share capital at the expiry of a creditor notice period of six weeks, during which period the share capital may increase upon conversion of certain bonds. The proposal is made to ensure that the nominal value of the Shares following the reverse split above does not restrict the Company from issuing Shares at a price below NOK 10 in the future.

The number of Shares being admitted to trading following approval of this Securities Note is 1,414,987. The New Shares are currently registered on a separate ISIN NO0010914823 and have been issued as a result of conversion of Perpetual Bonds as further set out in section 4.7 of the Registration Document dated 14 January 2021. The New Shares will be transferred to the Company's ordinary ISIN NO0010196140 and become freely tradable on Oslo Børs under the Company's trading symbol "NAS" upon approval of this Prospectus.

The Company has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting. The Articles of Association do not provide for limitations on the transferability or ownership of Shares.

The existing Shares have been created, and any Shares resulting from Debt Conversion will be created, under the Norwegian Public Limited Liability Companies Act and registered in book-entry form with the VPS. The existing Shares are registered under the Company's ordinary ISIN NO 001 0196140. The registrar for the Shares is DNB Bank ASA, with its registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway. The Company has been listed on Oslo Børs since December 2003 under the ticker "NAS".

##### **3.2.2 Transferability**

The Shares are freely transferrable and, subject to applicable securities law (further information below), there are no restrictions in the Company's securities. The Shares to be issued pursuant to the Debt Conversion may be subject to lock-up restrictions.

The Company is subject to statutory rules requiring the Company and/or its subsidiaries to be owned and controlled by shareholders who are EEA nationals. Pursuant to articles 12 and 13 of the Company's Articles of

Association, the Board of Directors has a right to request or compel shareholders that are not being domiciled within EEA to sell shares or to redeem their shares in certain circumstances, to ensure that the Company no longer violates the above-mentioned provisions regarding ownership and control.

Other than described above, share transfers are not subject to approval by the Company's Board of Directors, as elected from time to time.

### 3.2.3 Listing on the Oslo Stock Exchange

The shareholders of the Issuer have granted the Board of Directors wide discretion to issue Shares in connection with the Refinancing, including the Debt Conversion and the Rights Issue. Furthermore, existing convertible instruments of the Issuer (including the Bonds) may in the option of the holder be converted into Shares. Any new Shares to be issued in the ordinary share class of the Company are expected to be listed on Oslo Børs, some of which are subject to approval of the Prospectus.

The Issuer has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

### 3.2.4 Authorisations

The Issuer has issued certain convertible instruments which by their terms are convertible at the option of the holder into Shares (being (i) the Bonds, (ii) certain other zero-coupon perpetual convertible bonds with ISIN NO0010884646 with substantially the same terms as the Bonds, save for amendments to the conversion price mechanism as described in the Company's stock exchange notice dated 30 September 2020 (the "**Future Maintenance Bonds**") and (iii) the convertible bonds issued 15 November 2019 with ISIN NO0010868284 (the "**November 2019 Bonds**"). Additional Shares may therefore be issued when holders of the Bonds, the Future Maintenance Bonds and the November 2019 Bonds exercise their conversion rights. The Bonds and the Future Maintenance Bonds were issued pursuant to the authorisation granted to the Board of Directors to issue convertible instruments at the Extraordinary General Meeting of the Company held on 4 May 2020:

*The board of directors is authorized to adopt resolutions regarding borrowings as mentioned in the Public Limited Companies Act § 11-1.*

*The aggregate amount of convertible loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency).*

*The share capital may in total be increased by up to NOK 163,327,355.*

The resolution to issue the November 2019 Bonds was granted by an Extraordinary General Meeting of the Company held on 27 November 2019:

- 1. The Company shall issue a convertible bond (the Convertible Bond Issue) pursuant to the Norwegian Public Limited Liability Companies Act (the PLCA) chapter 11. The loan shall be regulated by bond terms (the Bond Terms) entered into between the Company and Nordic Trustee AS on behalf of the investors, based on the terms accepted by the investors on 5 November 2019.*
- 2. The size of the Convertible Bond Issue is USD 150 million.*
- 3. The Convertible Bond Issue consist of bonds, each with a nominal value of USD 200,000 (each a Convertible Bond).*
- 4. The maturity date of the Convertible Bond Issue is 15 November 2024 (the Maturity Date).*
- 5. The Convertible Bond Issue accrues a fixed interests at 6.375% p.a.*
- 6. The Convertible Bond Issue may only be subscribed for by the investors listed in Appendix 2. Subscription took place on a separate subscription document on 5 November 2019. The existing shareholders' preferential right to subscribe the Convertible Bond Issue pursuant to the PLCA section 11-4 is thus deviated from.*
- 7. The Convertible Bond shall be subscribed for at par value. The subscription amount was settled on 15 November 2019 through cash payment to a bank account in the Company's name.*
- 8. The Convertible Bond Issue is unsecured and senior ranked.*

9. *Each holder may convert one, more or all of its (remaining) Convertible Bonds to shares in the Company in the period commencing on and including 4 December 2019 and ending on (and including) the tenth business day prior to the Maturity Date (or, if earlier, ending on (and including) the tenth business day prior to any earlier date fixed for redemption of the Convertible Bonds). Conversion must always take place at exchange rate of USD:NOK at 1:9.184 (Fixed Exchange Rate).*
10. *Upon conversion of Convertible Bonds to shares, a consideration per shares equal to NOK 50 (conversion price) shall be paid. Payment is carried out by set off against the Convertible Bonds. The number of new shares to be issued upon conversion shall equal aggregate nominal value of the Convertible Bonds that are to be converted (USD 200,000 per Convertible Bond), multiplied by 9.184 (Fixed Exchange Rate), divided by the applicable conversion price. If this does not result in a whole number of shares, it shall be rounded down to the nearest number of whole shares. Instead of issuing new shares, the Company may elect to deliver treasury shares to the bondholders.*
11. *Shares issued through conversion of Convertible Bonds will carry shareholder rights and be entitled to dividends from the first business date after the delivery of a conversion notice in respect of such Convertible Bonds.*
12. *Upon issuance of new shares in the Company where the shareholders have preferential right to subscribe, issuance of financial instruments as per chapter 11 of the Public Limited Liability Companies Act, capital write downs with distribution to the shareholders, bonus issues, subdivision or combination of shares, mergers or de-mergers, as well as other changes to the share capital of the Company which is in the disfavour of the bondholders, the conversion price shall be adjusted to the extent prescribed in the terms included in the Bond Terms (based on the so-called Euro-market standard provisions) which forms a part of this resolution. Other than the above, the bondholders shall not have any rights upon decisions as mentioned in section 11-2 second paragraph no. 11 of the Public Limited Liability Companies Act.*
13. *The conversion right may not be separated from the receivable or exercised independently of the receivable, cf. the PLCA section 11-2 (2) no. 13.*
14. *In order to subscribe for the Convertible Bonds the bondholders have required that 12.5 million shares in the Company be lent to them so that they may enter into certain hedging arrangements. If and to the extent deemed necessary by the board of directors to facilitate such share lending, the Company shall pay (i) an arrangement fee of 1% flat calculated on the maximum number of lending shares borrowed from time to time (being 12.5 million shares) multiplied by NOK 40, being the subscription price in the Private Placement; and (ii) quarterly fee being equal to 1% p.a. calculated on the number of lending shares borrowed from time to time (limited to 12.5 million shares) multiplied by the closing market price of the Company's shares on a daily basis.*

Furthermore, in order to accommodate potential conversion price adjustments that may occur pursuant to the bond terms in respect of such bonds, the General Meeting held on 30 June 2020 approved that the applicable registrations at the Norwegian Register of Business Enterprises be increased to the theoretical maximum share capital increase that could result from conversion of all Bonds, Future Maintenance Bonds and November 2019 Bonds outstanding on such date:

*Reference is made to ISIN: NO 001 0868284: USD 34,500,000 Norwegian Air Shuttle ASA Senior Unsecured Convertible Bonds 2019/2024 registered at Foretaksregisteret on 26 May 2020 (CB). The maximum share capital increase resulting from conversion of the CB shall be amended to NOK 364,071,600.*

*Reference is made to ISINs: NO 001 0883432, NO 001 0883473, NO 001 0883507, NO 001 0883416, NO 001 0883457, NO 001 0883481, NO 001 0883515, NO 001 0883523 and NO 001 0883531 Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds registered at Foretaksregisteret on 26 May 2020 (Perpetual Bonds). The maximum share capital increase resulting from conversion of the Perpetual Bonds shall be amended to NOK 2,007,047,100.*

*Reference is made to /S/INs: NO 001 0884646, NO 001 0884653 and NO 001 0884661 Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds registered at Foretaksregisteret on 8 June 2020 (Additional Perpetual Bonds). The maximum share capital increase resulting from conversion of the Additional Perpetual Bonds shall be amended to NOK 122,832,956.*

Finally, in order to accommodate that additional “tap issues” of Bonds and Future Maintenance Bonds had been made in the intervening period between the General Meetings held on 30 June 2020 and 17 December 2020, the latter General Meeting approved that the registrations at the Norwegian Register of Business Enterprises in respect of such tap issues be increased to the theoretical maximum share capital increase that could result from conversion of the additional Bonds and Future Maintenance Bonds issued:

*Reference is made to ISINs: NO 001 0883416, NO 001 0883473 and NO 001 0883515 Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds registered at Foretaksregisteret on 1 October 2020 (Perpetual Bonds). The maximum share capital increase resulting from conversion of the Perpetual Bonds shall be amended to NOK 19,821,419.*

*Reference is made to ISIN: NO 001 0884646 Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds registered at Foretaksregisteret on 1 October 2020 (Additional Perpetual Bonds). The maximum share capital increase resulting from conversion of the Additional Perpetual Bonds shall be amended to NOK 186,287,491.*

The foregoing resolutions contain certain additional legacy ISINs, due to the fact that certain amounts of the Bonds and Future Maintenance Bonds were previously locked for trading and conversion, however these additional ISINs have since been deleted and the locked-up Bonds and Future Maintenance Bonds issued thereon transferred to the main, unlocked ISINs.

### 3.2.5 Rights attached to the Shares

The Company has one class of Shares. The Shares are equal in all respects, including the right to dividend; voting rights; rights to share in the Company's profit; rights to share in any surplus in the event of liquidation; redemption provisions; reserves or sinking fund provisions; (lack of) liability to further capital calls by the Company; and any provision discriminating against or favouring any existing or prospective holder of such securities as a result of such Shareholder owning a substantial number of Shares. The New Shares carry dividend rights as of their respective issuance date.

Each Share carries one (1) vote at the Company's general meeting (“General Meetings” means the annual and Extraordinary General Meetings in the Company, and a “General Meeting” means any one of them). Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company and on the basis of a proposal from the Board of Directors.

### 3.2.6 Relative seniority of the securities in the Company's capital structure in the event of insolvency

If the Company enters into insolvency or bankruptcy proceedings, Shareholders of the Company will be subordinated to all other creditors of the Company in their right to receive payment.

### 3.2.7 Dividend policy

The Company generally aims to generate competitive returns to its shareholders. The Board has currently recommended not to distribute dividends but to retain any earnings in order to strengthen the Company's financial position. The Company has not paid dividends during the last three years.

### 3.2.8 Net proceeds and expenses related to the issue

The New Shares have been issued as a result of Debt Conversion. As such, there will be no cash proceeds related to the issues. The estimated expenses related to the issue of the New Shares are approximately NOK 2 million.

#### 4. INFORMATION CONCERNING THE PERPETUAL BONDS

<b>The Bond Issues</b>	<p>Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds:</p> <ul style="list-style-type: none"> <li>(a) Norwegian Air Sh ASA 20/PERP 0% USD CONV ISIN NO0010883515</li> <li>(b) Norwegian Air Sh ASA 20/PERP 0% EUR CONV ISIN NO0010883416</li> <li>(c) Norwegian Air Sh ASA 20/PERP 0% SEK CONV ISIN NO0010883473</li> </ul>
<b>Issuer</b>	<p>Norwegian Air Shuttle ASA, Norwegian business reg. no. 965 920 358</p>
<b>Bond Trustee</b>	<p>Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624</p> <p>More information about Nordic Trustee AS and their role as bond trustee can be found on <a href="https://nordictrustee.com/">https://nordictrustee.com/</a></p>
<b>Role of the Bond Trustee</b>	<p>The role, rights and obligations of the Bond Trustee are outlined in the Bond Terms, and include, without limitation:</p> <ul style="list-style-type: none"> <li>(a) convening Bondholders' Meetings under certain conditions</li> <li>(b) acting on behalf of, and/or representing, the Bondholders in all matters, and taking any legal or other action in respect of preserving rights under the Bond Terms</li> <li>(c) the right to demand and receive documents, information and other assistance from the Issuer necessary for the purpose of exercising the Bond Trustee's rights and/or carrying out its duties as Bond Trustee on behalf of the Bondholders</li> <li>(d) being obliged not to make decisions which would give certain Bondholders an unreasonable advantage at the expense of other Bondholders</li> <li>(e) being indemnified against damage or loss claims from the Bondholders arising out of any action taken or omitted by it under or in connection with the Bond Terms</li> </ul> <p>Please refer to the Bond Terms for further information about the rights and obligations of the Bond Trustee</p>
<b>Bond Terms</b>	<p>Based on standard Nordic Bond Terms template for corporate issuers as maintained and published by Nordic Trustee AS, unless as modified by the terms set out herein</p>
<b>Governing law and jurisdiction</b>	<p>Norwegian law and the courts of Norway</p>
<b>Currency</b>	<p>The Bonds are issued in EUR, SEK and USD ("EUR Bonds", "SEK Bonds" and "USD Bonds" respectively, and together, the "Bonds").</p>
<b>Registration and ISIN</b>	<p>The Bonds are registered in book entry form in the Norwegian central securities depository, Verdipapirsentralen ASA ("VPS") with its registered address at Fred. Olsens gate 1, 0152 Oslo, and have the following ISINs:</p> <ul style="list-style-type: none"> <li>(a) in respect of the EUR Bonds, ISIN NO0010883416,</li> <li>(b) in respect of the SEK Bonds, ISIN NO0010883473, and</li> </ul>



	(c) In respect of the USD Bonds, ISIN NO0010883515
<b>Par value</b>	The EUR Bonds, SEK Bonds and USD Bonds have a Nominal Amount of EUR 1, SEK 1 and USD 1 respectively
<b>Maximum Issue Amount</b>	<p>NOK 4,000,000,000 (for such purposes, each currency of Bonds being converted to NOK at the fixed exchange rate set out opposite “Conversion Price” below)</p> <p>The Issuer may on one or more occasions issue additional Bonds until the nominal amount of all Bonds issued equals in aggregate the Maximum Issue Amount, subject to certain conditions including that such bonds must be issued to a creditor of the Issuer in connection with a conversion of debt held by such creditor into equity or/or equity-like instruments</p>
<b>Issue Price</b>	100% (par value)
<b>Issue Date</b>	22 May 2020
<b>Tenor</b>	<p>The Bonds are perpetual with no mandatory instalments or scheduled maturity date.</p> <p>The Bonds shall only become repayable on an Acceleration Repayment Date, or on a Post-Expiry Redemption Date in connection with the Issuer’s exercise of its rights in relation thereto</p>
<b>Purpose</b>	The Bonds are issued to certain existing creditors of the Issuer in connection with a wider debt-to-equity swap.
<b>Ranking</b>	The Bonds are fully subordinated to, and rank after all of, the Issuer’s other debt liabilities and any other amounts the Issuer owes to its creditors, but rank prior to the ordinary share capital of the Issuer and pari passu with the most senior ranking class of preference share (if any) in the share capital of the Issuer (subject to the provisions set out opposite “Calculation of Claim” below)
<b>Security</b>	The Bonds are unsecured
<b>Coupon</b>	Zero coupon bonds that shall not accrue interest, save as set out opposite “Conversion Right Expiry Date” below
<b>Yield and description of method</b>	Dependent on the market price for the Bonds and the Shares. The Bonds may only provide return if they are sold in the market or converted and sold in the market as Shares, save as set out opposite “Conversion Right Expiry Date” below
<b>Conversion Right</b>	<p>Each Bond shall entitle the holder, at any time during the Conversion Period, to convert such Bond at the Conversion Price into new and/or existing ordinary shares of the Issuer with ISIN NO0010196140, credited as fully paid (a “Conversion Right”), and which shares shall carry the same rights as the holders of existing Shares in issue.</p> <p>The settlement date for any such exercise of Conversion Rights shall be 10 Business Days following the business day after the conversion notice is received</p>
<b>Conversion Period</b>	A lock-up mechanism was implemented in respect of conversion of certain of the Bonds on the Issue Date, however such restrictions expired on 9 December 2020. All Perpetual Bonds shall be convertible into Shares in the period from (and including) 9 December 2020 and ending on (and including) the 10th Business Day prior to the Conversion Right Expiry Date (as defined below) or,

	<p>if earlier, ending on (and including) the 10th Business Day prior to any earlier date fixed for redemption of the Bonds</p>
<b>Conversion Right Expiry Date</b>	<p>Pursuant to Norwegian company law, convertible instruments may not be issued with conversion rights in excess of five years, without a subsequent resolution of the shareholders extending the conversion rights. The following mechanism seeks to ensure that the Conversion Rights are extended prior to the date on which the conversion rights expire being, as of the Issue Date, 20 May 2025 (subject to any subsequent extension, the “Conversion Right Expiry Date”), and to compensate Bondholders in the event Conversion Rights are not extended</p> <p>The Issuer shall propose a resolution to its shareholders, to be made no later than 90 days prior to the Conversion Right Expiry Date, to extend (or authorise the board of directors to extend) the Conversion Period by five years (an “Extension Resolution”)</p> <p>Any Bondholder who is also a shareholder of the Issuer on the date on which the Extension Resolution is voted on at a General Meeting of the Issuer shall vote in favour of the Extension Resolution.</p> <p>From the Conversion Right Expiry Date:</p> <ul style="list-style-type: none"> <li>(a) the Bonds shall accrue interest at 20% p.a., to be capitalised as payment-in-kind interest (in the form of additional Bonds), payable quarterly from the date that is three (3) months following the Conversion Right Expiry Date</li> <li>(b) the Issuer may redeem all (and not some only) of the Bonds (including any Bonds issued by way of payment-in-kind interest) on any interest payment date after the First Call Date at a price equal to 100.00 per cent of the nominal amount of the Bonds (the “Post-Expiry Redemption Option”) the Post-Expiry Redemption Option may be exercised by the Issuer by written notice to the Bondholders at least 10 Business Days prior to the proposed call date (such proposed call date being the “Post-Expiry Redemption Date”); and</li> <li>(c) as long as any Bonds remain outstanding, the Issuer may not declare or make any dividend, interest, repayment of capital or any other distributions or payments in respect of any obligations which rank pari passu with, or which are subordinated to, the Bonds, including without limitation the shares and equity of the Issuer.</li> </ul> <p>“First Call Date” means the date that is 5 years after the Conversion Right Expiry Date</p>
<b>Conversion Price</b>	<p>The “Conversion Price” is NOK 424,919</p> <p>The Conversion Price shall be subject to adjustment in the circumstances set out opposite “Anti-Dilution Protection” below. Conversion must always take place at an exchange rate of:</p> <ul style="list-style-type: none"> <li>(a) with respect to the EUR Bonds, EUR:NOK at 1:11.3875</li> <li>(b) with respect to the SEK Bonds, SEK:NOK at 100:103.72, and</li> </ul>

	<p>(c) with respect to the USD Bonds, USD:NOK at 1:10.5528</p> <p>(in each case the “Fixed Exchange Rate”), being in each case the exchange rate published by Norges Bank on 6 April 2020</p> <p>Upon conversion of Bonds to Shares, a consideration equal to the Conversion Price shall be paid for each Share. Payment shall be carried out by set off against the Bonds. The number of new Shares to be issued upon conversion shall equal the aggregate nominal value of the Bonds that are to be converted, multiplied by the applicable Fixed Exchange Rate, divided by the Conversion Price. If this does not result in a whole number of Shares, the number shall be rounded down to the nearest number of whole Shares</p>
<b>Anti-Dilution Protection</b>	Euro-market standard anti-dilution provisions dealing with, inter alia, share consolidations, share splits, distributions, spin-off events, rights issues, bonus issues and reorganisations
<b>Change of Control Protection</b>	No change of control protection. However, the Bond Terms contain customary information undertakings, including that the Issuer shall inform the Bond Trustee and the Bondholders of, inter alia, a change of control event
<b>Transferability</b>	A lock-up mechanism was implemented in respect of transfer of certain of the Bonds on the Issue Date, however all such restrictions expired on 9 December 2020. The Bonds are freely transferable in accordance with the rules and regulations governing securities registered in VPS.
<b>Event of Default</b>	The Bond Terms do not contain any event of default provisions that would entitle the Bondholders to claim repayment of the Bonds, save for on or after the date on which any order is made or resolution is passed for the final liquidation, final winding-up or final dissolution (or analogous insolvency process in any jurisdiction) of the Issuer (otherwise than for the purposes of reconstruction, amalgamation or merger where the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer), in which event the Bond Trustee may demand, subject to the provisions set out opposite “Calculation of Claim” below, that the Bonds shall become payable (the date of such demand being the “Acceleration Date”, and the date of such final liquidation, final winding-up or final dissolution (or analogous insolvency process) being the “Acceleration Repayment Date”)
<b>Calculation of Claim</b>	<p>The amount of any claim derived from the Bonds due for payment on the Acceleration Repayment Date (the “Claim”) shall be calculated as if all such Bonds had been converted into Shares on the Acceleration Date, at the Conversion Price in effect as of the Acceleration Date</p> <p>To the extent that the aggregate Nominal Amount of the Outstanding Bonds as of the Acceleration Date exceeds the amount of the Claim, the Issuer shall not be obliged to (and will not) make any other payment or settlement in any form in lieu of such excess, and the Bondholders shall have no further rights to or in respect of such excess</p>
<b>Listing</b>	The Issuer shall apply for listing of the Bonds on Oslo Børs on or before 9 December 2020. On 9 December 2020, Norwegian submitted an application for listing of the Bonds. Subject to approval of the Prospectus, the Bonds are expected to be admitted to listing on Oslo Børs on or about 15 January 2021.
<b>Reason for admission to trading</b>	The perpetual bonds (the “Perpetual Bonds”) defined and described in the Company’s prospectus dated 6 May 2020 were issued during the restructuring described in the aforementioned prospectus to certain creditors of the Company who were unable to hold equity in the Company. Certain of these creditors requested that the Perpetual Bonds would be listed. Accordingly, Clause 4(a)(i) of the bond agreement for the Perpetual Bonds provides that the

	Company undertakes to make an application to have the Perpetual Bonds admitted to trading on the Oslo Stock Exchange on or prior to 9 December 2020.
<b>Taxation</b>	<p>Customary tax gross-up provisions are included in the Bond Terms in relation to payments of redemption amounts in respect of the Bonds</p> <p>Customary provisions are included in the Bond Terms in relation to the liability for stamp duty and other transactional taxes arising on conversion of the Bonds</p>
<b>Subscription Restrictions</b>	The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Failure to comply with these restrictions may constitute a violation of applicable securities legislation
<b>Paying and Conversion Agent</b>	DNB Bank ASA, with its registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway.
<b>Calculation Agent</b>	Conv-Ex Advisors Limited
<b>Market-Making:</b>	No market-maker agreement has been or is expected to be made for this Bond Issue.
<b>Legislation under which the Bonds have been created:</b>	Norwegian law.
<b>Fees and Expenses:</b>	The Issuer shall pay any stamp duty and other public fees in connection with the Bonds, but not in respect of trading of the Bonds in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law. Tax deduction and withholding tax shall be subject to standard gross-up and call provisions.
<b>Fees:</b>	<p>Prospectus fee (FSA): NOK 104,000.</p> <p>Listing and registration fee (Oslo Stock Exchange): NOK 59,510.</p>

## 5. LIQUIDITY AND CAPITAL RESOURCES

### 5.1 Capitalisation and indebtedness

#### 5.1.1 Introduction

The section provides information about the Company's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as of 30 September 2020 and, in the "As adjusted" column, the Company's unaudited consolidated capitalization and net financial indebtedness as of the date of the Prospectus adjusted for the following significant transactions that happened between 30 September 2020 and the date of this Securities Note and that are not subject to the Listing.

Adjustments for significant transactions between 30 September 2020 and the date of the Prospectus, not subject to the Listing:

- The Conversion of Debt to equity, as further described in the footnotes to 5.1.2 and 5.1.3 below. For further information, please refer to Section 4.7 of the Registration Document dated 14 January 2021.

Other than the abovementioned adjustments, the Company has not quantified and identified further adjustments until the date of the Prospectus, for the purpose of this Section 5.1 "Capitalisation and Indebtedness".

#### 5.1.2 Capitalisation

	As of 30 September 2020 <sup>a)</sup>	Adjustment for transactions not subject to the Listing <sup>1)</sup>	As Adjusted
<i>(In NOK million)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Indebtedness</b>			
<i>Total current debt:</i>			
Guaranteed	-		
Secured <sup>b)</sup>	5,696.5		5,696.5
Unguaranteed / Unsecured <sup>c)</sup>	10,388.8	-319.1	10,069.7
<i>Total non-current debt:</i>			
Guaranteed <sup>d)</sup>	2,989.0		2,989.0
Secured <sup>e)</sup>	42,920.3		42,920.3
Unguaranteed /Unsecured	4,846.7	-100.2	4,821.8
<b>Total indebtedness</b>	<b>66,841.3</b>	<b>-419.3</b>	<b>66,497.3</b>
<b>Shareholder's equity</b>			
Share capital	364.0	10.4	372.2
Share premium	17,815.1	42.4	17,851.9
Other equity <sup>f)</sup>	-7,068.9	366.4	-6,770.0
<b>Total equity</b>	<b>11,110.2</b>	<b>419.3</b>	<b>11,454.2</b>
<b>Total capitalization</b>	<b>77,951.5</b>	<b>-</b>	<b>77,951.5</b>

#### Notes to the capitalisation table:

- a. Figures are derived from Norwegian's Q3 2020 Interim Financial statements. The capitalisation table includes all liabilities and equity as of 30 September 2020, in accordance with the updated CESR recommendations.
- b. Represent the Secured part of Current liabilities and includes Aircraft prepayment financing with NOK 416.0 million secured on future aircraft, Aircraft financing with NOK 3,484.4 million secured on aircraft, current part of Lease liabilities with NOK 1,782.9 million which is secured on aircraft and accrued interest of NOK 13.2 million.
- c. Represent the unsecured and unguaranteed part of current liabilities and includes Air traffic settlement liabilities of NOK 826.1 million and Other current liabilities of NOK 9,562.7 million.
- d. Represent non-current loans guaranteed by the Norwegian State.
- e. Represent the Secured part of Non-current liabilities and includes Aircraft financing with NOK 17,657.2 million secured on aircraft, Lease liabilities with NOK 23,383.5 million secured on aircraft and other non-current parts of bond and other liabilities of NOK 1,879.6 million secured in slots at Gatwick and shares in the subsidiary Arctic Aviation Assets DAC.
- f. Other equity comprises Other paid-in equity with NOK 1,926.0 million, Other reserves with NOK 1,209.8 million and Retained earnings with negative NOK 10,204.8 million.

#### The adjustments in the table above have been made for the following events:

1. Transactions between 30 September 2020 to the date of the Securities Note not subject to the Listing:
  - The adjustment reflects the conversion of vendor debt with a book value of NOK 319.1 million to equity. The effect is a reduction of current unsecured debt of NOK 319.1 million with a corresponding increase in equity including the profit effect included in other equity.
  - The adjustment also includes the conversion of zero coupon perpetual subordinated convertible bonds with a book value of NOK 100.2 million. The effect is a reduction of non-current unsecured debt of NOK 100.2 million with a corresponding increase in equity including the profit effect included in other equity.
  - The total equity increase of NOK 419.3 million is split between share capital of NOK 10.4 million, share premium of NOK 42.4 million and other equity of NOK 366.4 million. Increased share capital represents the nominal value of shares issued, the share premium increase represents the fair value of shares issued less the nominal value of the shares and the increase in other equity represents the difference between the book value of extinguished debt and the fair value of shares issued.

### 5.1.3 Net financial indebtedness

	As of 30 September 2020 <sup>a)</sup>	Adjustment for transactions not subject to the Listing <sup>1)</sup>	As Adjusted
<i>(In NOK million)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(A) Cash <sup>b)</sup>	3,402.3		3,402.3
(B) Cash equivalents	-		
(C) Trading securities	-		
(D) Liquidity (A)+(B)+(C)	3,402.3		3,402.3
(E) Current financial receivables	18,6		18,6
(F) Current bank debt	-		
(G) Current portion of non-current debt <sup>c)</sup>	5,696.5		5,696.5
(H) Other current financial debt	-		
(I) Current financial debt (F)+(G)+(H)	5,696.5		5,696.5
(J) Net current financial indebtedness (I)-(E)-(D)	2,275.6		2,275.6
(K) Non-current bank loans	-		
(L) Bond issued <sup>d)</sup>	1,572.3	-100.2	1,547.4
(M) Other non-current debt <sup>e)</sup>	44,670.0		44,670.0
(N) Non-current financial indebtedness (K)+(L)+(M)	46,242.3	-100.2	46,142.1
(O) Net financial indebtedness (J)+(N)	48,517.9	-100.2	48,417.7

#### Notes to the net financial indebtedness table:

- Figures are derived from Norwegian's Q3 2020 Interim Financial Statements. The definition of financial assets and liabilities provided by IAS 32 *Financial Instruments has been applied*. Accordingly, amounts related to tax liabilities, employee benefit obligations, other non-financial liabilities and receivables as well as provisions that are not interest bearing are not included in the amounts above.
- Represent the financial line Cash and cash equivalents totalling NOK 3,402.3 million.
- Represent the Current portion of non-current debt and includes Aircraft prepayment financing with NOK 416.0 million, Aircraft financing with NOK 3,484.4 million, current part of Lease liabilities with NOK 1,782.9 million and accrued interest of NOK 13.2 million.
- Represent the non-current portion of the outstanding bond debt (comprising the NAS07, NAS08, NAS09 and the Convertible Bonds) presented within the financial line Non-current debt.
- Represent other non-current debt and includes Aircraft financing with NOK 17,657.2 million, Lease liabilities with NOK 23,383.5 million, loans with state guarantee with NOK 2,989.0 million and other liabilities of NOK 640.3 million.

#### The adjustments in the table above have been made for the following events:

- Transactions between 30 September 2020 to the date of the Securities Note not subject to the Listing:
  - The adjustment includes the conversion of zero coupon perpetual subordinated convertible bonds with a book value of NOK 100.2 million. The effect is a reduction of Bonds issued of NOK 100.2 million with a corresponding increase in equity including the profit effect included in other equity.

#### 5.1.4 Contingent and other liabilities

The following items are regarded as contingent and other liabilities:

- Operating leases and related commitments (see further information about leases in Section 11.2 "Material contracts which NAS is dependent on in its ordinary course of business" in the Registration Document dated 14 January 2021).

In NOK millions, nominal values	30 September 2020	31 December 2019	31 December 2018
Within one year	8.7	14.6	5,110.9
Between 1 and 5 years	0.5	14.8	17,865.8
After 5 years	0.0	0.0	17,093.3
Total lease commitments	9.2	29.4	40,070.0

- The Company has significant aircraft purchase commitments from agreements entered into with Boeing and Airbus. An overview of these commitments is presented in Section 4.14 "Investments" in the Registration Document. See also Section 11.1.2 in the Registration Document for information relating inter alia to the Company's termination of its contracts with Boeing and the consequences thereof.
- Tax issues - see further information in Section 11.1.3 "Reassessment from the Norwegian Tax authorities" in the Registration Document.
- As stated in Section 4.7 of the Registration Document, the Company has entered into examinership under Irish law and a reconstruction process under Norwegian law. This entails, inter alia, that the Company is protected from creditors seeking coverage while the processes are ongoing, and that all claims occurred before the proceedings were opened can be reduced. It possible that some creditors adduce that the opening of insolvency proceedings give grounds for claims (e.g. breach of agreement) or attempt to pursue past dues in full by not acknowledging foreign insolvency proceedings, which may have an adverse effect on the Company including, inter alia, costs incurred in resolving such claims.

Other than as stated above, the Company is not aware of any material liability, direct or indirect, actual or contingent.

#### 5.2 Working Capital Statement

The Company is of the opinion that the working capital available to the Company is not sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Securities Note.

Considering the COVID-19 outbreak effects on travel restrictions and demand for air travel that has forced the Company to enter hibernation mode, the Company estimates that it will no longer have sufficient working capital during the first or second quarter of 2021.

In the fourth quarter of 2020, the Company entered into an examinership and reconstruction process, and the basis for continuing as a going concern is contingent upon a successful exit from these processes, with a significant reduction in the Company's fleet of aircraft, a significant reduction in the Company's debt and obtaining significant new capital as an outcome. The examinership and reconstruction processes are expected to conclude during the first quarter of 2021 but may be extended. If the Company does not exit the examinership and the reconstruction process in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021.

If the Company exits the examinership and the reconstruction process in a successful way, the Company currently estimates that it needs approximately NOK 4 billion in new capital for the working capital to be sufficient for the 12-month period following the date of this Securities Note. Furthermore, this estimate



anticipates a gradual market recovery towards “new normalized” levels during 2021 and 2022. If a market recovery will be delayed compared to the Company’s current estimates, the need for additional working capital may increase.

The necessary additional working capital is aimed to be obtained mainly through share offerings including the Rights Issue and additional private placement(s), aiming to raise gross proceeds of NOK 4 - 5 billion. Such share offerings and conversions are currently expected to take place during the first or second quarter of 2021.

It is uncertain whether the Company will successfully exit the examinership and reconstruction processes and raise sufficient working capital through aforementioned measures. The Company is however optimistic that the examinership and reconstruction processes as well as that the capital raises and debt conversions will be successful, thus securing sufficient working capital for a period beyond 12 months after the date of this Securities Note, but no assurance can be given to this effect.

If the Company does not obtain this additional required working capital and does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021.

## **6. SECURITIES TRADING IN NORWAY**

*The following description includes certain information concerning Norwegian law and regulations in effect as of the date of this Securities Note. This summary does not intend to be complete and is qualified in its entirety by prevailing Norwegian law and regulations.*

### **6.1 Introduction**

As a company listed on Oslo Børs, the Company will be subject to certain duties to inform the market under the Norwegian Securities Trading Act as well as Oslo Børs obligations applicable to stock exchange listed companies, and the market abuse and trading rules in chapter 3 of the Norwegian Securities Trading Act. Furthermore, the Company is subject to Norwegian securities regulations and supervision by the relevant Norwegian authorities.

### **6.2 Trading and settlement**

Official trading on Oslo Børs takes place between 09:00 (CET) and 16:20 (CET) each trading day.

The settlement period for trading on Oslo Børs/Euronext Expand is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA, or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in another EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this under the Norwegian Securities Trading Act, or, in the case of investment firms in another EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. Such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs, except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

### **6.3 Information, control and surveillance**

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, having implemented the EU Market Abuse Directive, a company that is listed on a Norwegian regulated market, or that has filed an application for listing on such market, must promptly release any inside information (i.e., precise information about financial instruments, the issuer thereof, or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

### **6.4 The VPS and transfer of Shares**

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions

relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is as a general rule prima facie evidence in determining the legal rights of parties as against the issuing company or any third-party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's general meeting, or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control, of which the VPS could not reasonably be expected to avoid or overcome the consequences. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

## **6.5 Shareholder register**

Under Norwegian law, shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, shares may be registered with the VPS in the name of a depositary (bank or other nominee) approved by the Norwegian FSA, to act as nominee for non-Norwegian shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, registration with the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of the beneficial owners. Beneficial owners must register with the VPS or provide other sufficient proof of their ownership to the shares in order to vote at general meetings.

## **6.6 Foreign investment shares listed in Norway**

Non-Norwegian investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or non-Norwegian.

## **6.7 Insider trading**

According to Norwegian law, subscription for, purchase, sale or exchange of shares which are listed or in respect of which a listing application has been submitted or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act.

The same applies to entry into, purchase, sale or exchange of option or futures/forward contracts or equivalent rights connected with such shares or incitement to such disposition.

## **6.8 Mandatory offer requirement**

Pursuant to the Norwegian Securities Trading Act, any person or entity acting in concert that acquires shares representing more than 1/3 (with a repeated obligation at 40 percent and at 50 percent) of the voting rights of a Norwegian company whose shares are listed on Oslo Børs or Oslo Axess is obliged to make an unconditional

general offer for the purchase of the remaining shares in the company within four weeks or, within the same period, dispose of a number of voting shares which brings the percentage of voting rights down to or below 1/3.

The shareholder must, immediately upon reaching any of the said thresholds, notify the company and Oslo Børs accordingly and of whether it will make a mandatory offer or perform a sell-down. A notice informing about a disposal can be altered to a notice of making an offer within the four-week period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. The mandatory offer obligation ceases to apply if the person or entity notifies the company and Oslo Børs of its decision to sell down and then sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

An offer must be reflected in an offer document which is subject to approval by Oslo Børs before submission of the offer document to the shareholders or made public. The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but at least equal to the market price, if it is clear that the market price was higher when the mandatory offer obligation was triggered. Note, however, that the EFTA Court in a statement dated 10 December 2010 has concluded that the "market price" alternative is not in compliance with EU regulations. Consequently, there is currently doubt as to the legal validity of this alternative. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be unconditional and in cash (NOK), but it may contain a consideration alternative at least equivalent to the cash consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the offer threshold, apart from the right to receive dividends and pre-emption rights in the event of a share capital increase. In case of the failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction.

Any person or entity that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and that has, therefore, not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

It was announced on 12 April 2018 that IAG had acquired 4.61 percent of the Shares in NAS, and that IAG was considering to make an offer for all the Shares in the Company. Subsequently, the Company received enquiries from several parties who expressed interest for structural transactions, financing of the Company and various forms of operational and financial cooperation. On 24 January 2019, IAG announced that it did not intend to make an offer for the Company and that, in due course, it will be selling its shareholding in the Company. As of the date of this Securities Note, the Company is not aware of any party intending to make an offer for all the Shares in the Company.

## **6.9 Compulsory acquisition**

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing more than 90 percent of the total number of issued shares in a Norwegian public limited liability company, as well as more than 90 percent of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such a minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts.

Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two-month deadline.

In event a shareholder, directly or through subsidiaries, exceeds the 90 percent threshold by way of a mandatory offer in accordance with the Norwegian Securities Trading Act, and a compulsory acquisition is resolved within three months, then the share price in the compulsory acquisition shall be equal to the price in the mandatory offer if no special circumstances call for a different price. Further, if the 90 percent threshold is exceeded by way of a voluntary offer, the compulsory acquisition may, subject to certain conditions, be carried out without such shareholder being obliged to make a mandatory offer, including: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution according to the rules for mandatory offers.

#### **6.10 Disclosure obligations**

A person, entity or bank acting in concert that acquires shares, options for shares or other rights to shares (inter alia convertible loans or subscription rights) resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 1/3, 50 percent, 2/3 or 90 percent of the share capital or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs immediately. The same applies to disposal of shares, option for shares etc., resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds.

The reporting obligations will also apply if the thresholds are reached or passed as a result of events changing the relative ownership or voting stake by "passive" means e.g. if a company is increasing its share capital and thereby causes an existing shareholder not participating in the capital increase to be diluted.

## 7. TAXATION

### 7.1 Introduction

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Securities Note, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers, as the tax legislation in Norway and, if different, in the jurisdiction in which the Shareholder is resident for tax purposes may have an impact on the income received from the Shares. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or Non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

### 7.2 Norwegian shareholders

#### 7.2.1 Taxation of dividends

##### Norwegian Individual Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Individual Shareholders**") are taxable as ordinary income for such shareholders at a flat rate of currently 31.68 percent (the nominal rate is 22 percent but the taxable income is multiplied with a factor of 1.44) to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills ("**statskasseveksler**") with three months' maturity. The allowance is calculated for each calendar year, and it is allocated solely to Norwegian Individual Shareholders holding shares at the expiration of the relevant income year.

Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Individual Shareholders may hold their shares through a share savings account (Nw.: *Aksjesparekonto*). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account.

##### Norwegian Corporate Shareholders

Dividends received by shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66 percent (3 percent of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and subject to tax at a flat rate of currently 22 percent). For Norwegian

Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75 percent (3 percent of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25 percent).

## 7.2.2 Taxation of capital gains on realization of shares

### **Norwegian Individual Shareholders**

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any Excess Allowance, cf. Section 7.2.1 above. Any Excess Allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any Excess Allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Individual Shareholders may hold their shares through a share savings account (Norwegian: Aksjesparekonto). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account. A loss upon realization of shares held through the account is not in itself tax deductible, but the loss will affect the amount, if any, subject to tax upon closing of the account (i.e. any withdrawal amount exceeding the amount deposited into the account).

### **Norwegian Corporate Shareholders**

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

## 7.2.3 Taxation of Subscription Rights

### **Norwegian Individual Shareholders**

A Norwegian Individual Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered as realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Individual Shareholders through a realization of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for the computation of ordinary income in the year of disposal. The ordinary income is taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

Capital gains related to subscription rights granted to employees as a consequence of their employment will be regarded as employment income and thus taxable at a marginal (maximum) rate of 46.4 percent. The employer will be required to calculate and pay employer's social security contributions at a (maximum) rate of 14.1 percent.

### **Norwegian Corporate Shareholders**

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such subscription rights are not deductible for tax purposes.

#### **7.2.4 Net wealth tax**

The value of shares and subscription rights held by Norwegian Individual Shareholders as at 1 January in the year of assessment (i.e. the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such shareholders. Currently, the marginal wealth tax rate is 0.85 percent of the value assessed. The value for assessment purposes for listed shares is equal to 65 percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

### **7.3 Foreign shareholders - Norwegian taxation**

#### **7.3.1 Taxation of dividends**

#### **Non-Norwegian Individual Shareholders**

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Individual Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate. Non-Norwegian Individual Shareholders may be required to provide a Certificate of tax residence, which cannot be older than three years at the time of the dividend resolution, in order to benefit from a reduced withholding tax rate.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see Section 7.2.3 "Norwegian Individual Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25 percent calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.



## **Non-Norwegian Corporate Shareholders**

Dividends distributed to shareholders that are limited liability companies not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate or a withholding tax exemption. These documentation requirements vary depending on whether the Shareholders claims a reduced withholding tax rate in accordance with an applicable tax treaty or whether the Shareholder claims a tax exemption based on being a tax resident in another EEA country and depending on whether the Non-Norwegian Corporate Shareholder has previously qualified for a reduced rate for, or an exemption from, the withholding tax. Thus, Non-Norwegian Corporate Shareholders should consult with their own tax advisers in order to determine the documentation required. The documentation requirements apply equally to nominee registered shares.

Non-Norwegian Corporate Shareholders who have suffered to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to participation exemption.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

### **7.3.2 Taxation of capital gains on realization of shares**

#### **Non-Norwegian Individual Shareholders**

Gains from the sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian Individual shareholders.

#### **Non-Norwegian Corporate Shareholders**

Capital gains derived from the sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway

### **7.3.3 Taxation of Subscription Rights**

A Non-Norwegian Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. In such cases the shareholder will be

subject to the same taxation as Norwegian shareholders. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

#### **7.4 Net wealth tax**

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax.

Non-Norwegian Individual Shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

#### **7.5 Vat and transfer taxes**

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

#### **7.6 Inheritance tax**

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

### **7.7 Taxation of the Perpetual Bonds**

#### **7.7.1 Introduction**

The below description is based on the assumption that the Bonds are classified as a debt instrument for Norwegian tax purposes. However, as described above in Section 1 "Risk related to tax classification of the Bonds", there is a risk that the Norwegian tax authorities may classify the Bonds as equity for Norwegian tax purposes, which in case may impact the tax treatment for the holders of Bonds. Further, tax legislation of the investor's Member State and Norwegian tax legislation may have an impact on any income received from the Perpetual Bonds.

#### **7.7.2 Classification**

For convertible bonds where the holder is given a right to subscribe for shares by way of setting off the bond element against the obligation to pay the subscription amount (conversion), the full instrument (i.e. including the warrant element) shall be taxed according to the rules applicable to debt instruments.

#### **7.7.3 Norwegian Bondholders**

##### **Taxation of return on convertible bonds prior to disposal**

Any kind of return received on convertible bonds prior to disposal is taxable as "ordinary income" subject to the flat rate of 22% (25% for financial institutions). Return on convertible bonds is taxed on an accruals basis (i.e. regardless of when the return is actually paid).

##### **Taxation upon disposal or redemption of convertible bonds**

Redemption of convertible bonds is treated as realization and may result in a capital gain or loss. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22 per cent (25% for financial institutions). Losses will normally be deductible in the bondholder's "ordinary income".

Any capital gain or loss is computed as the difference between the amount received by the bondholder on realization and the cost price of the bonds. The cost price is equal to the price for which the bondholder acquired the bonds. Costs incurred in connection with the acquisition and realization of bonds may be deducted from the bondholder's taxable income in the year of the realization.

##### **Net wealth taxation**

The value of bonds at the end of each income year will be included in the computation of a bondholder's taxable net wealth for municipal and state net wealth tax purposes. Listed bonds are valued at their quoted value on 1 January in the assessment year. The marginal tax rate is currently 0.85%. Limited liability companies and similar entities are not subject to net wealth taxation.

#### 7.7.4 Foreign Bondholders

##### **Norwegian withholding tax**

Payments on bonds to foreign bondholders will not be subject to Norwegian withholding tax.

Please note however that the Norwegian Government has proposed to introduce withholding tax on interest payments effective from 1 July 2021. Under the proposed rule, Norway may levy withholding tax on interest payments from a Norwegian company to (i) a related party (50% or more joint ownership) (ii) which is tax resident in a low-tax jurisdiction (effective taxation lower than 2/3 of Norwegian effective taxation). The domestic withholding tax rate for interest payments is 15%, but may be reduced under an applicable tax treaty.

##### **Taxation of return and capital gain upon disposal or redemption**

Return received or capital gain upon disposal or redemption of convertible bonds will not be subject to tax in Norway unless the foreign bondholder is holding the convertible bonds in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

##### **Net wealth taxation**

Foreign bondholders are not subject to Norwegian net wealth tax with respect to convertible bonds, unless the bondholder is an individual, and the bondholding is effectively connected with a business which the bondholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

#### 7.7.5 Transfer taxes, etc. - VAT

There are currently no Norwegian transfer taxes, stamp duty or similar taxes connected to purchase, disposal or redemption of bonds. Furthermore, there is no VAT on transfer of bonds.

## **8. ADDITIONAL INFORMATION**

### **8.1 The Issue**

The involved persons in the Issue have no interest, nor conflicting interests that is material to the Shares and Bonds.

No market-maker agreement has been or is expected to be made for the Shares or the Bonds.

### **8.2 The approval of this Securities Note by the Norwegian Financial Supervisory Authority**

This Securities Note has been approved by the Norwegian FSA, as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities.

The approval given by the Norwegian FSA only relates to the information included in the Securities Note in accordance with pre-defined disclosure requirements imposed by the EU Prospectus Regulation. The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in the Securities Note. On no account must the publication or the disclosure of this Securities Note give the impression that the information herein is complete or correct on a given date after the date on this Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

The Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

## 9. DEFINITIONS

Capitalised terms used throughout this Securities Note shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

Bonds or Perpetual Bonds .....	The zero coupon perpetual subordinated convertible bonds issued by the Issuer pursuant to the Bond Terms
Bond Terms .....	The bond terms dated 22 May 2020
Bond Trustee .....	Nordic Trustee AS
Bondholder.....	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, from time to time
Claim.....	The amount of any claim derived from the outstanding Bonds
Company, NAS, Norwegian Air Shuttle, Norwegian or Issuer .....	Norwegian Air Shuttle ASA, business reg. no. 965 920 358
Conversion Expiry Date .....	Has the meaning as ascribed to it in section 4
Conversion Right .....	Has the meaning as ascribed to it in section 4
Conversion Shares .....	Any Shares issued pursuant to the Debt Conversion
COVID-19 .....	The corona disease cause by the coronavirus SARS-CoV-2
Debt Conversion .....	Conversion of all of parts of the Group's senior loans, lease debt, aircraft financing liabilities and certain other current and non-current liabilities of the Group into Shares
EGM .....	The Extraordinary General Meeting in the Company held on 17 December 2020
EU Prospectus Regulation .....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2004/71/EC
Excess Allowance .....	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Extension Resolution .....	Has the meaning as ascribed to it in section 4
First Call Date .....	Has the meaning as ascribed to it in section 4
Future Maintenance Bonds .....	The zero coupon perpetual subordinated convertible bonds with ISIN NO 001 0884646
Group .....	Norwegian Air Shuttle ASA and its direct and indirect subsidiaries
Group Company/-ies	Norwegian Air Shuttle ASA and/or its direct and indirect subsidiaries, as the case may be
Issuer.....	Norwegian Air Shuttle ASA, a company existing under the laws of Norway with registration number 965 920 358 and LEI-code 549300IEUH2FEM2Y6B51
Listing.....	The listing of the Shares and the Bonds on Oslo Stock Exchange
LEI .....	Legal Entity Identifier
New Shares .....	Any new Shares issued as a result of conversion of debt, as further described herein
Non-Norwegian Corporate Shareholders.....	Shareholders that are limited liability companies not resident in Norway for tax purposes
Non-Norwegian Individual Shareholders.....	Shareholders who are individuals not resident in Norway for tax purposes
November 2019 Bonds .....	The USD 150 million Norwegian Air Shuttle ASA Senior Unsecured Convertible Bonds 2019/2024 with ISIN NO 001 0868284 issued in November 2019
Norwegian Corporate Shareholders...	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA .....	The Norwegian Financial Supervisory Authority (Norwegian: <i>Finanstilsynet</i> )

Norwegian Individual Shareholders...	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act ....	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended
Oslo Stock Exchange or Oslo Børs.....	Oslo Børs (a stock exchange operated by Oslo Børs ASA)
Parity Obligations.....	All claims in respect of the Bonds will rank as described in the Bond Terms, and shall rank pari passu between themselves and any obligation that ranks or is expressed to rank pari passu with the Bonds
Prospectus .....	This Securities Note together with the Registration Document and the Summary dated as of the date hereof
Registration Document .....	The registration document dated 14 January 2021, describing the Issuer
Rights Issue .....	The proposed rights issue of up to 800 million new Shares that was resolved by the EGM on 17 December 2020
Shares.....	“Shares” mean existing shares as issued by the Company and the new shares in the Company as further described herein; and “Share” means any one of them
Securities Note .....	This document dated 14 January 2021, describing the terms of the Bond Issue and Shares
Summary .....	The Prospectus summary dated 14 January 2021
VPS .....	The Norwegian Central Securities Depository (Norwegian: <i>Verdipapirsentralen</i> )

**BOND TERMS**

for

**Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds**

*[www.bahr.no](http://www.bahr.no)*

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## BOND TERMS between

ISSUER: Norwegian Air Shuttle ASA, a company existing under the laws of Norway with registration number 965 920 358 and LEI-code 549300IEUH2FEM2Y6B51; 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: 22 May 2020

These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.

## 1. INTERPRETATION

### 1.1 Definitions

The following terms shall have the following meanings:

“**Acceleration Date**” shall have the meaning ascribed to such term in Clause 18.2(a)(i) (*Acceleration of the Bonds*).

“**Acceleration Event**” shall have the meaning ascribed to such term in Clause 18.1(b).

“**Acceleration Notice**” shall have the meaning ascribed to such term in Clause 18.2 (*Acceleration of the Bonds*).

“**Additional Bonds**” means the debt instruments issued under a Tap Issue.

“**Acceleration Repayment Date**” means the date of a final liquidation, final winding-up or final dissolution (or analogous final insolvency process in any jurisdiction) of the Issuer.

“**Additional Shares**” shall have the meaning ascribed to such term in Clause 13.2 (*Retroactive Adjustments*).

“**Affiliate**” means, in relation to any person:

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

“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

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

**“Bond Terms”** means these terms and conditions, including all Attachments which shall 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 its obligations 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*).

**“Bondholder Taxes”** shall have the meaning ascribed to such term in Clause 12.2 (*Procedure for exercise of Conversion Rights*).

**“Bondholders’ Meeting”** means a meeting of Bondholders as set out in Clause 19 (*Bondholders’ Decisions*).

**“Bonds”** means, collectively, the EUR Bonds, SEK Bonds or USD Bonds pursuant to these Bond Terms, including any Additional Bonds.

**“Business Day”** means a day on which both the relevant CSD settlement system is open, and each of the relevant Bond currency settlement systems are open.

**“Business Day Convention”** means that if the last day of any Post-Expiry Interest Period originally falls on a day that is not a Business Day, no adjustment shall be made to the Post-Expiry Interest Period.

**“Calculation Agency Agreement”** means the calculation agency agreement dated on or about 22 May 2020 and entered into by the Issuer and the Calculation Agent whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds.

**“Calculation Agent”** means Conv-Ex Advisors Limited and such expression shall include any successor as calculation agent under the Calculation Agency Agreement.

**“Chairperson”** shall have the meaning ascribed to such term in Clause 19.2 (*Procedure for arranging a Bondholders’ Meeting*).

**“Change of Control Event”** means a person or group of persons acting in concert, directly or indirectly (including purchase, merger etc.) have acquired the right to cast, at a general meeting of shareholders of the Issuer, more than 50 per cent. of the voting rights of the Issuer.

**“Claim”** shall have the meaning ascribed to such term in Clause 18.4(a).

**“Clean-up Redemption Date”** means the settlement date for the Clean-Up Redemption Option determined by the Issuer pursuant to Clause 10.2 (*Redemption at the option of the Issuer due to low aggregate Nominal Amount outstanding*), or a date agreed upon between

the Bond Trustee and the Issuer in connection with such redemption of Bonds, and in each case specified in the Clean-up Redemption Notice.

“**Clean-up Redemption Notice**” shall have the meaning ascribed to such term in Clause 10.2(b).

“**Clean-up Redemption Option**” shall have the meaning ascribed to such term in Clause 10.2(a) .

“**Closing Price**” means, in respect of a Share or any Security, Spin-Off Security, option, warrant or other right or asset on any Dealing Day in respect thereof, the closing price on the Relevant Stock Exchange on such Dealing Day of a Share or, as the case may be, such Security, Spin-Off Security, option, warrant or other right or asset published by or derived from Bloomberg page HP (or any successor ticker page) (using the setting “Last Price”, or any other successor setting and using values not adjusted for any event occurring after such Dealing Day; and for the avoidance of doubt, all values shall be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Share, Security, Spin-Off Security, option, warrant or other right or asset (all as determined by the Calculation Agent) (and for the avoidance of doubt such Bloomberg page for the Shares as at the Issue Date is NAS NO Equity HP), if available or, in any other case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day, provided that:

- (a) if on any such Dealing Day (for the purpose of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Closing Price of a Share, Security, option, warrant, or other right or asset, as the case may be, in respect of such Dealing Day shall be the Closing Price, determined by the Calculation Agent as provided above, on the immediately preceding such Dealing Day on which the same can be so determined, provided however that if such immediately preceding Dealing Day falls prior to the fifth day before the Original Date, the Closing Price in respect of such Dealing Day shall be considered to be not capable of being determined pursuant to this proviso (a); and
- (b) if the Closing Price cannot be determined as aforesaid, the Closing Price of a Share, Security, option, warrant, or other right or asset, as the case may be, shall be determined as at the Original Date by an Independent Adviser in such manner as it shall determine in good faith to be appropriate,

and the Closing Price determined as aforesaid on or as at any such Dealing Day shall, if not in the Relevant Currency, be translated into the Relevant Currency at the Prevailing Rate on such Dealing Day.

“**Conversion Date**” shall have the meaning ascribed to such term in Clause 12.2 (*Procedure for exercise of Conversion Rights*).

“**Conversion Notice**” shall have the meaning ascribed to such term in Clause 12.2 (*Procedure for exercise of Conversion Rights*).

“**Conversion Period**” means, the period commencing on (and including):

- (a) with respect to one third of the Bonds issued to each Bondholder on the Issue Date, 9 August 2020; and
- (b) with respect to one third of the Bonds issued to each Bondholder on the Issue Date (such one third to be in addition to the Bonds referred to in paragraph (a) above), 9 October 2020; and
- (c) with respect to one third of the Bonds issued to each Bondholder on the Issue Date (such one third to be in addition to the Bond referred to in paragraphs (a) and (b) above), 9 December 2020; or, if earlier
- (d) with respect to 100% of the Bonds issued to each Bondholder on the Issue Date, the date of any general offer made by a prospective purchaser to all shareholders of the Issuer at an equal price to all shareholders at the relevant time (save for those participating in the offer or those to whom the offer is not extended in order to comply with applicable law in any jurisdiction) for the acquisition of all Shares in the Issuer, provided that the provisions of Clause 11.3 (*Lock-up*) shall apply, *mutatis mutandis*, to the Shares resulting from any exercise of Conversion Rights, until the earlier of the settlement of such general offer or the expiry of such provisions; or, if earlier
- (e) with respect to 100% of the Bonds issued to each Bondholder on the Issue Date, the date on which all or substantially all Shares issued on or about the Issue Date by way of set-off against certain amounts owed to holders of Senior Obligations are released from the transfer restrictions placed on them on or about the Issue Date,

and in each case ending on (and including) the 10<sup>th</sup> Business Day prior to the Conversion Right Expiry Date (or, if earlier, ending on (and including) the 10<sup>th</sup> Business Day prior to any earlier date fixed for redemption of the Bonds, unless there is a default in making any payment in respect of the relevant Bond on such redemption date, in which event the Conversion Right shall extend up to (and including) the date on which the full amount of such payment becomes available). This definition shall apply *mutatis mutandis* to any Additional Bonds, save that any reference to “*Bonds issued to each Bondholder on the Issue Date*” shall be deemed to be a reference to Additional Bonds issued to each Bondholder on the date of issue of such Additional Bonds.

“**Conversion Price**” shall have the meaning ascribed to such term in Clause 12.1 (*Conversion Period and Conversion Price*).

“**Conversion Right**” shall have the meaning ascribed to such term in Clause 12.1 (*Conversion Period and Conversion Price*).

“**Conversion Right Expiry Date**” means (i) 20 May 2025, being the date that is five (5) years from the date on which the issue of the Bonds was approved by the board of directors of the Issuer, or (ii) if later, the latest date on which the Conversion Rights may be exercised pursuant to an Extension Resolution.

“**Conversion Right Extension Deadline**” means the date that is 90 calendar days prior to the then-prevailing Conversion Right Expiry Date.

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

“Current Market Price” means, in respect of a Share at a particular date, the arithmetic average of the daily Volume Weighted Average Price of a Share on each of the 5 consecutive Dealing Days ending on the Dealing Day immediately preceding such date, as determined by the Calculation Agent, provided that:

- (a) for the purposes of determining the Current Market Price pursuant to paragraphs (d) or (f) of Clause 13.1 (*Adjustments*) in circumstances where the relevant event relates to an issue of Shares, if at any time during the said 5 Dealing Day period (which may be on each of such five Dealing Days) the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such five Dealing Days) the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), in any such case which has been declared or announced, then:
  - (i) if the Shares to be so issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Ex-Date in respect of such Dividend or entitlement (or, where on each of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), as at the date of first public announcement of such Dividend or entitlement), in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or
  - (ii) if the Shares to be so issued do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Ex-Date in respect of such Dividend or entitlement, in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit,
- (b) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(i) or (a)(ii) of the definition of “Dividend”, if on any of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such Dealing Day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant cash

Dividend as at the Ex-Date in respect of such Dividend, as determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; and

- (c) for any other purpose, if any day during the said five Dealing Day period was the Ex-Date in relation to any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Ex-Date in respect of such Dividend or entitlement.

**“Dealing Day”** means a day on which the Relevant Stock Exchange is open for business and on which Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time) provided that, unless otherwise specified or the context otherwise requires, references to “Dealing Day” shall be a dealing day in respect of the Shares.

**“Debt Conversion”** means the terms of the write-down of certain Senior Obligations in exchange for Bonds as agreed between the Issuer and the holders of such Senior Obligations on or about the date hereof.

**“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.

**“Dividend”** means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where:
  - (i) a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Shares or other property or assets, or where an issue of Shares or other property or assets to Shareholders by way of a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a cash Dividend of an amount equal to the greater of (A) the Fair Market Value of such cash amount and (B) the Current Market Price of such

Shares or, as the case may be, the Fair Market Value of such other property or assets, in any such case as at the Ex-Date in respect of the relevant Dividend or capitalisation (or, if later, the Dividend Determination Date), save that where a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Shares or an issue of Shares to Shareholders by way of capitalisation of profits or reserves is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash where the number of Shares which may be issued or delivered is to be determined at a date or during a period following the last day on which such election can be made as aforesaid and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Shares, without factoring in any discount or premium to such price or benchmark, then such Dividend shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid; or

- (ii) there shall (other than in circumstances subject to proviso (i) above) (A) be any issue of Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue or delivery is or is expressed to be in lieu of a Dividend in cash (whether or not a cash Dividend equivalent amount is announced) or a Dividend in cash is announced that is to be satisfied by the issue or delivery of Shares or other property or assets, or (B) any issue or delivery of Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) that is to be satisfied by the payment of cash, then, in the case of (A) the capitalisation or Dividend in question shall be treated as a cash Dividend of an amount equal to the Current Market Price of such Shares or, as the case may be, the Fair Market Value of such other property or assets as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), and, in the case of (B), the capitalisation in question shall be treated as a cash Dividend of an amount equal to the Fair Market Value of such cash amount as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), save that where an issue of Shares by way of capitalisation of profits or reserves is announced where such issue is or is expected to be in lieu of a Dividend in cash (in circumstances where the cash amount thereof is announced) or an issue of Shares by way of capitalisation of profits or reserves is announced that is to be satisfied by the payment of cash where the number of Shares to be issued or delivered or the amount of such payment of cash is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Shares, without factoring in any discount or premium to such price or benchmark, then such capitalisation shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is announced or determined as aforesaid;

- (b) any issue of Shares falling within paragraphs (a) or (b) of Clause 13.1 (*Adjustments*) shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase, redemption or buy back of Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Share (before expenses) on any day (a “**Specified Share Day**”) in respect of such purchases, redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day), exceeds by more than 5 per cent. the Current Market Price of a Share:
  - (i) on the Specified Share Day; or
  - (ii) where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Shares at some future date at a specified price or where a tender offer is made, on the date of such announcement or, as the case may be, on the date of first public announcement of such tender offer (and regardless of whether or not a price per Share, a minimum price per Share or a price range or a formula for the determination thereof is or is not announced at such time),

in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Shares purchased, redeemed or bought back by or on behalf of the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of such Current Market Price and (ii) the number of Shares so purchased, redeemed or bought back;
- (d) if the Issuer or any of its Subsidiaries (or any person on its or their behalf) shall purchase, redeem or buy back any depositary or other receipts or certificates representing Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Adviser;
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan or arrangement implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Bond Terms be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Bond Terms shall be construed accordingly;
- (f) where a Dividend in cash is declared which provides for payment by the Issuer to Shareholders in the Relevant Currency or an amount in cash is or may be paid in the Relevant Currency, whether at the option of Shareholders or otherwise, it shall be



treated as a Dividend in cash in the amount of such Relevant Currency or, as the case may be, an amount in such Relevant Currency, and in any other case it shall be treated as a Dividend in cash or, as the case may be, an amount in cash in the currency in which it is payable by the Issuer;

- (g) a dividend or distribution that is a Spin-Off shall be deemed to be a Dividend paid or made by the Issuer,

and any such determination shall be made in good faith by the Calculation Agent or where specifically provided, an Independent Adviser and, in either such case, on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

**“Dividend Determination Date”** means, for the purposes of the definition of “Dividend”, the date on which the number of Shares or, as the case may be, amount of other property or assets, which may be issued or delivered is, or is capable of being, determined, and where determined by reference to prices or values or the like on or during a particular day or during a particular period, the Dividend Determination Date shall be deemed to be such day or the last day of such period, as the case may be.

**“EUR”** means euro, being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**“EUR Bonds”** means debt instruments in the Nominal Amount, denominated in EUR and governed by and issued under these Bond Terms.

**“Ex-Date”** means, in relation to any Dividend (including without limitation any Spin-Off), capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement, unless otherwise defined herein, the first Dealing Day on which the Shares are traded ex- the relevant Dividend, capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement on the Relevant Stock Exchange (or, in the case of a Dividend which is a purchase, redemption or buy back of Shares (or, as the case may be, any depositary or other receipts or certificates representing Shares) pursuant to paragraph (c) (or, as the case may be, paragraph (d)) of the definition of “Dividend”, the date on which such purchase, redemption or buy back is made).

**“Exchange”** means a securities exchange or other reputable market place for securities having satisfactory requirements as to listing and trading, where the Bonds and/or the Shares are listed or to which an application for listing of the Bonds and/or the Shares has been submitted.

**“Extension Resolution”** shall have the meaning ascribed to such term in Clause 3.4 (*Extension Resolution*).

**“Fair Market Value”** means, on any date (the **“FMV Date”**):

- (a) in the case of a cash Dividend, the amount of such cash Dividend, as determined in good faith by the Calculation Agent;

- (b) in the case of any other cash amount, the amount of such cash, as determined in good faith by the Calculation Agent;
- (c) in the case of Securities (including Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by the Calculation Agent or an Independent Adviser), the arithmetic mean of:
  - (i) in the case of Shares or (to the extent constituting equity share capital) other Securities or Spin-Off Securities, for which a daily Volume Weighted Average Price (disregarding for this purpose proviso (b) to the definition thereof) can be determined, such daily Volume Weighted Average Price of the Shares or such other Securities or Spin-Off Securities; and
  - (ii) in any other case, the Closing Price of such Securities, Spin-Off Securities, options, warrants or other rights or assets,

in the case of both (i) and (ii) during the period of five Dealing Days for such Securities, Spin-Off Securities, options, warrants or other rights or assets commencing on such FMV Date (or, if later, the date (the “Adjusted FMV Date”) which falls on the first such Dealing Day on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, provided that where such Adjusted FMV Date falls after the fifth day following the FMV Date, the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights or assets shall instead be determined pursuant to paragraph (d) below, and no such Adjusted FMV Date shall be deemed to apply) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, all as determined in good faith by the Calculation Agent; and

- (d) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid) or where otherwise provided in paragraph (c) above to be determined pursuant to this paragraph (d), an amount equal to the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Share, the dividend yield of a Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, and including as to the expiry date and exercise price or the like (if any) thereof.

Such amounts shall (if not expressed in the Relevant Currency on the FMV Date (or, as the case may be, the Adjusted FMV Date)) be translated into the Relevant Currency at the Prevailing Rate on the FMV Date (or, as the case may be, the Adjusted FMV Date), all as determined in good faith by the Calculation Agent.

In addition, in the case of paragraphs (a) and (b) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

“Final Lock-up Date” means 9 December 2020.

**“Finance Documents”** means these Bond Terms, the Bond Trustee Fee Agreement, the Calculation Agency Agreement, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

**“Financial Reports”** means the Annual Financial Statements and the Interim Accounts.

**“Fixed Exchange Rate”** means, in respect of:

- (a) the EUR Bonds, EUR:NOK at 1:11.3875;
- (b) the SEK Bonds, SEK:NOK at 100:103.72; and
- (c) the USD Bonds, USD:NOK at 1:10.5528,

being, in each case, the exchange rate published by Norges Bank on 6 April 2020.

**“GAAP”** means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

**“Group”** means the Issuer and its Subsidiaries from time to time.

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

**“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, as adopted by the European Union.

**“Independent Adviser”** means an independent adviser with appropriate expertise, which may be the Calculation Agent, appointed by the Issuer at its own expense and (other than where the initial Calculation Agent is appointed) approved in writing by the Bond Trustee or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Bond Trustee) and the Bond Trustee is indemnified and/or secured as to costs to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Bond Trustee following notification to the Issuer, which appointment shall be deemed to be made by the Issuer.

**“Initial Bond Issue”** means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

**“Initial Nominal Amount”** means the nominal amount of each EUR Bond, SEK Bond and USD Bond 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 center of main

interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

**“Interim Accounts”** means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year prepared in accordance with GAAP.

**“ISIN”** means International Securities Identification Number, being the identification number of the Bonds.

**“Issue Date”** means 22 May 2020.

**“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.

**“Material Adverse Effect”** means a material adverse effect on:

- (a) the ability of the Issuer to perform any of its obligations under the Bonds; and/or
- (b) the business, assets or financial condition of the Group as a whole.

**“Maximum Issue Amount”** shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**“NOK”** means Norwegian kroner, being the legal currency of Norway.

**“Nominal Amount”** means the Initial Nominal Amount, or any other amount following a split of Bonds pursuant to paragraph (j) of Clause 20.2 (*The duties and authority of the Bond Trustee*).

**“Outstanding Bonds”** means any Bonds not redeemed or otherwise discharged.

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

**“Par Value”** means, at any time, the par value of the Shares.

**“Parity Obligations”** means any payment obligations of the Issuer that as a matter of contract or law rank *pari passu* in right and priority of payments with the Bonds upon an Acceleration Event, including the most senior ranking class of preference share (if any) in the share capital of the Issuer.

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

**“Paying and Conversion Agent”** means the legal entity appointed by the Issuer to act as its paying and conversion agent with respect to the Bonds in the CSD.

**“Payment Date”** means any Post-Expiry PIK Date or any Repayment Date.

**“Post-Expiry First Call Date”** means the date that is five (5) years from the Conversion Right Expiry Date.

**“Post-Expiry Interest Period”** means, subject to adjustment in accordance with the Business Day Convention, the period from the Conversion Right Expiry Date to the first Post-Expiry PIK Date, and every subsequent three-month period thereafter.

**“Post-Expiry Interest Rate”** means 20 percentage points per annum.

**“Post-Expiry PIK Date”** means the last date of each Post-Expiry Interest Period, the first Post-Expiry PIK Date being the date that is three (3) months from the Conversion Right Expiry Date.

**“Post-Expiry Redemption Date”** means the settlement date for the Post-Expiry Redemption Option determined by the Issuer pursuant to Clause 10.3 (*Redemption at the option of the Issuer following the Conversion Right Expiry Date*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**“Post-Expiry Redemption Option”** shall have the meaning ascribed to such term in Clause 10.3(a).

**“Prevailing Rate”** means, in respect of any pair of currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date (for the purpose of this definition, the **“Original Date”**) as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies, or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined, provided that if such immediately preceding day falls earlier than the fifth day prior to the Original Date or if such rate cannot be so determined (all as determined in good faith by the Calculation Agent), the Prevailing Rate in respect of the Original Date shall be the rate determined in such other manner as an Independent Adviser shall consider appropriate.

**“Reference Date”** means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a Dealing Day, the next following Dealing Day.

**“Reference Shares”** means, in respect of the exercise of Conversion Rights by a Bondholder, the number of Shares (rounded down, if necessary, to the nearest whole number) determined in good faith by the Calculation Agent by multiplying the Nominal Amount of the Bonds which are the subject of the relevant exercise of Conversion Rights by the applicable Fixed Exchange Rate, and dividing by the Conversion Price in effect on the relevant Conversion Date, except that where the Conversion Date falls on or after the date an adjustment to the Conversion Price takes effect pursuant to paragraphs (a), (b), (c), (d), (e), or (i) of Clause 13.1 (*Adjustments*) but on or prior to the record date or other due date for establishment of entitlement in respect of the relevant event giving rise to such adjustment, then provided the Issuer is able to confer the benefit of the relevant consolidation, reclassification, redesignation or subdivision, Dividend, issue or grant (as the case may be) on the relevant Bondholder in respect of the relevant Shares to be issued or transferred and delivered to such Bondholder in respect of the relevant exercise of Conversion Rights, the Conversion Price in respect of such exercise shall be such Conversion Price as would have been applicable to such exercise had no such adjustment been made.

**“Relevant Currency”** means, at any time, the currency in which the Shares are quoted or dealt in at such time on the Relevant Stock Exchange.

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

**“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 19 (*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.

**“Relevant Stock Exchange”** means:

- (a) in respect of the Shares, the Oslo Stock Exchange or, if at the relevant time, the Shares are not at that time listed and admitted to trading on the Oslo Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in; and
- (b) in respect of any Securities (other than Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or dealt in,

where **“principal stock exchange or securities market”** shall mean the stock exchange or securities market on which such Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in, provided that if such Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in (as the case may be) on more than one stock exchange or securities market at the relevant time, then **“principal stock exchange or securities market”** shall mean that stock exchange or securities market on which such Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are then traded as determined by the Calculation Agent (if the Calculation Agent determines that it is able to make such determination) or (in any other case) by an Independent Adviser by reference to the stock exchange or securities market with the highest average daily trading volume in respect of such Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets.

**“Repayment Date”** means the Acceleration Repayment Date, the Clean-Up Redemption Date or the Post-Expiry Redemption Date.

**“Representative”** shall have the meaning ascribed to such term in Clause 19.2 (*Procedure for arranging a Bondholders’ Meeting*).

**“Retroactive Adjustment”** shall have the meaning given to it in Clause 13.2 (*Retroactive Adjustments*).

“**Securities**” means any securities including, without limitation, Shares and other shares in the capital of the Issuer, restricted stock units, or options, warrants or other rights to subscribe for or purchase or acquire Shares or any other shares in the capital of the Issuer.

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

“**SEK**” means Swedish kronor, being the legal currency of Sweden.

“**SEK Bonds**” means debt instruments in the Nominal Amount, denominated in SEK and governed by and issued under these Bond Terms.

“**Senior Obligations**” means any payment obligations of the Issuer that are neither the payment obligations under the Bonds nor Parity Obligations.

“**Shareholder**” means a holder of a Share.

“**Shares**” means fully paid ordinary shares of the Issuer, at the date of these Bond Terms listed on the Oslo Stock Exchange and with a Par Value of NOK 0.10 each, including such ordinary shares of the Issuer which, pursuant to the terms and conditions of these Bond Terms, shall be issued following any Bondholder’s exercise of its Conversion Right.

“**Specified Taxes**” shall have the meaning ascribed to such term in Clause 12.2 (*Procedure for exercise of Conversion Rights*).

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class, pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

“**Spin-Off Securities**” means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

“**Subsidiary**” means a company over which another company has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tap Issue**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Temporary Bonds**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“USD” means United States dollars, being the legal currency of the United States of America.

“USD Bonds” means debt instruments in the Nominal Amount, denominated in USD and governed by and issued under these Bond Terms.

“Volume Weighted Average Price” means, in respect of a Share, Security or, as the case may be, a Spin-Off Security, on any Dealing Day in respect thereof, the volume weighted average price on such Dealing Day on the Relevant Stock Exchange of a Share, Security or, as the case may be, a Spin-Off Security, as published by or derived from Bloomberg page HP (or any successor page) (using the setting “Weighted Average Line” or any other successor setting and using values not adjusted for any event occurring after such Dealing Day; and for the avoidance of doubt, all values shall be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Share, Security, or, as the case may be, Spin-Off Security (and for the avoidance of doubt such Bloomberg page for the Shares as at the Issue Date is NAS NO Equity HP) if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day provided that:

- (a) if on any such Dealing Day (for the purposes of this definition, the “Original Date”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security or Spin-Off Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding such Dealing Day on which the same can be so determined, provided however that if such immediately preceding Dealing Day falls prior to the fifth day before the Original Date, the Volume Weighted Average Price in respect of such Dealing Day shall be considered to be not capable of being determined pursuant to this proviso (a); and
- (b) if the Volume Weighted Average Price cannot be determined as aforesaid, the Volume Weighted Average Price of a Share, Security or Spin-Off Security, as the case may be, shall be determined as at the Original Date by an Independent Adviser in such manner as it shall determine in good faith to be appropriate,

and the Volume Weighted Average Price determined as aforesaid on or as at any such Dealing Day shall, if not in the Relevant Currency, be translated into the Relevant Currency at the Prevailing Rate on such Dealing Day.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

For the purposes of Clause 12.1 (*Conversion Period and Conversion Price*), 12.3 (*Ranking and entitlement in respect of Shares*), 13.1 (*Adjustments*) and 13.2 (*Retroactive Adjustments*) only, (i) references to the “issue” of Shares or Shares being “issued” shall include the transfer and/or delivery of Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries and (ii) Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of



paragraphs (d) and (f) of Clause 13.1 (*Adjustments*), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “in issue” or “issued”, or entitled to receive the relevant Dividend, right or other entitlement.

In making any calculation or determination of Closing Price, Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made in good faith and as the Calculation Agent considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Voting Period**” shall have the meaning ascribed to such term in Clause 19.5 (*Written Resolutions*).

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 19.5 (*Written Resolutions*).

## 1.2 Construction

(a) In these Bond Terms, unless the context otherwise requires:

- (i) headings are for ease of reference only;
- (ii) words denoting the singular number shall include the plural and vice versa;
- (iii) references to Clauses are references to the Clauses of these Bond Terms;
- (iv) references to a time are references to Central European time unless otherwise stated;
- (v) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (vi) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (vii) 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;
- (viii) 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;
- (ix) 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*); and

- (x) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (b) at a Bondholders’ Meeting or by way of a Written Resolution, the calculations of whether a quorum exists and if the relevant consent has been obtained, shall be made in NOK. Each Bond shall always entitle a Bondholder to one vote at a Bondholders’ Meeting or by way of Written Resolution. The value of the vote of each EUR Bond, SEK Bond and USD Bond shall be the respective Nominal Amount of each of them converted into NOK at the relevant Fixed Exchange Rate. For the avoidance of doubt, the amount of the Voting Bonds shall at all times be calculated based on the Fixed Exchange Rate.

## 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 maximum amount of NOK 2,000,000,000 and may resolve to issue further Bonds hereunder in a maximum amount of an additional NOK 2,000,000,000, for a total of NOK 4,000,000,000, in each case calculated on the basis of all EUR Bonds, SEK Bonds and USD Bonds issued being converted to NOK at the applicable Fixed Exchange Rate (excluding any PIK Bonds issued pursuant to Clause 17(c)) (the “**Maximum Issue Amount**”). The Issuer may, provided that the conditions set out in Clause 6.2 (*Tap Issues*) are met, on one or more occasions issue Additional Bonds (each such issue a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue shall be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the “**Temporary Bonds**”). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee and the Exchange and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

- (b) The EUR Bonds, the SEK Bonds and the USD Bonds:
  - (i) are denominated in EUR, SEK and USD respectively;
  - (ii) have an initial nominal amount of EUR 1, SEK 1 and USD 1 respectively; and
  - (iii) have the following ISINs:
    - (A) with respect to the EUR Bonds that, pursuant to Clause 11.3 (*Lock-up*), may be disposed of at any date on or after:
      - (1) 9 August 2020, ISIN NO0010883416;
      - (2) 9 October 2020, ISIN NO0010883432; and

- (3) 9 December 2020, ISIN NO0010883457;
- (B) with respect to the SEK Bonds that, pursuant to Clause 11.3 (*Lock-up*), may be disposed of at any date on or after:
  - (1) 9 August 2020, ISIN NO0010883473;
  - (2) 9 October 2020, ISIN NO0010883481; and
  - (3) 9 December 2020, ISIN NO0010883507; and
- (C) with respect to the USD Bonds that, pursuant to Clause 11.3 (*Lock-up*), may be disposed of at any date on or after:
  - (1) 9 August 2020, ISIN NO0010883515;
  - (2) 9 October 2020, ISIN NO0010883523; and
  - (3) 9 December 2020, ISIN NO0010883531,

provided that, to the extent the Bonds on the ISINs set out in sub-paragraphs (2) and (3) of each of paragraphs (A), (B), and (C) above cease to be subject to the provisions of Clause 11.3 (*Lock-up*), such ISINs shall as soon as reasonably practicable following such event be merged with the ISIN set out in sub-paragraph (1) of the respective paragraph, such that following the Final-Lock Up Date each currency of Bonds shall share one ISIN.

- (c) The Bond Terms apply with identical terms and conditions to (i) all Bonds issued under the ISINs set out in paragraph (b) above, and (ii) any Temporary Bonds.

## 2.2 Tenor of the Bonds

The Bonds are perpetual and do not have any scheduled maturity. The Bonds may only be redeemed on a Repayment Date in the manner set out in these Bond Terms.

## 2.3 Use of proceeds

The Bonds will be issued to certain holders of Senior Obligations pursuant to the terms of the Debt Conversion. There will be no subscriptions for Bonds in cash and no net cash proceeds from the issuance of the Bonds.

## 2.4 Status of the Bonds

- (a) The Bonds shall constitute direct, unsecured and unguaranteed obligations of the Issuer and shall:
  - (i) rank *pari passu* in right and priority of payment among themselves and with any Parity Obligations;
  - (ii) rank senior in right and priority of payment to the Shares; and
  - (iii) rank junior in right and priority of payment, and are postponed and subordinated to, the Senior Obligations.

- (b) Subject to applicable law, no Bondholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Bonds and each Bondholder shall, by virtue of its holding of any Bond, be deemed to have waived all such rights of set-off, compensation or retention.

## **2.5 Transaction Security**

The Bonds are unsecured obligations of the Issuer.

## **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 any Conversion Right.
- (b) Each Bondholder shall as soon as practicable 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 reasonably 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 that 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 (*Bondholders' rights*) 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.

### **3.4 Extension Resolution**

- (a) The Issuer shall propose a resolution to its shareholders, to be made no later than the Conversion Right Extension Deadline, to extend (or to authorise the board of directors to extend) the conversion period for the Conversion Rights by five (5) years (an “**Extension Resolution**”) and shall notify the holders of the Bonds in accordance with Clause 22.3 (*Notices, contact information*) promptly upon the Extension Resolution being approved (or, as the case may be, rejected).
- (b) Any Bondholder that is a holder of Shares as of the record date for the voting of Shares in respect of any Extension Resolution shall vote in favour of such Extension Resolution.

## **4. ADMISSION TO LISTING OR TRADING**

- (a) The Issuer undertakes to:
  - (i) make an application to have the Bonds admitted to trading on the Oslo Stock Exchange on or prior to the Final Lock-up Date, and
  - (ii) following any listing of the Bonds on the Oslo Stock Exchange, use its best endeavours to ensure that the Bonds shall remain listed on the Oslo Stock Exchange.

## **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 shall 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 THE ISSUE OF BONDS**

### **6.1 Conditions for the issue of Bonds on the Issue Date**

- (a) Issue of the Bonds shall be conditional on the Bond Trustee having received 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 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 articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
  - (v) copies of the Issuer's latest Financial Reports (if any);
  - (vi) confirmation that the Bonds are registered in the CSD;
  - (vii) copies of any written documentation made public by the Issuer in connection with the issuance of the Bonds;
  - (viii) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
  - (ix) 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 Bond Trustee, acting in its sole discretion, may waive the requirements for documentation set out in this Clause 6 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 Tap Issues**

The Issuer may issue Additional Bonds if:

- (a) the Bond Trustee has executed a Tap Issue Addendum; and
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds

and provided that such Additional Bonds are issued to creditors of the Issuer by way of consideration for the write-down of debt held by such creditors.

## **7. REPRESENTATIONS AND WARRANTIES**

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

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and

(c) at the date of issuance of any Additional Bonds.

#### **7.1 Status**

It is a public 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 (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

#### **7.5 No Acceleration Event**

No Acceleration Event has occurred or is likely to result from the issue of the Bonds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.

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

All authorisations, consents, approvals, resolutions, licenses, 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 GAAP, consistently applied.

## **7.9 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.

## **7.10 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 these Bond Terms.

## **7.11 Ranking**

The Issuer's payment obligations under these Bond Terms or any other Finance Document to which it is a party have the status and ranking set out in Clause 2.4 (*Status of the Bonds*).

## **7.12 Share Conversion**

The Issuer will, during the Conversion Period, have the authority to issue and allot, free from pre-emption rights and at the Conversion Price, sufficient Shares to enable the Conversion Rights to be satisfied in full at the Conversion Price.

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

## **8.1 Covenant to pay**

- (a) The Issuer shall unconditionally make available to or to the order of the Bond Trustee and/or the Paying and Conversion 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 and Conversion 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 at 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 shall 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 falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds is 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 have 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 rate of 10 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on the last day of each successive period of three months until the Overdue Amount and default interest accrued thereon have been repaid in full.

## **8.3 Partial Payments**

- (a) If the Paying and Conversion 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;
  - (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) the Bond Trustee has served an Acceleration Notice in accordance with Clause 18.2 (*Acceleration of the Bonds*), or
  - (ii) as a result of a resolution according to Clause 19 (*Bondholders' decisions*).

## **8.4 Taxation**

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it under the Bonds or in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds or 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 trading 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.

## **8.5 Currency**

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination 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 and Conversion 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 and Conversion 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**

The Issuer may not 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 Zero coupon Bonds**

Subject to Clause 17 (*Accrual of interest following Conversion Right Expiry Date*), the Bonds shall not accrue interest.

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

### **10.1 No maturity or instalments**

The Bonds are repayable on a Repayment Date only. The Bonds are not subject to any repayment instalments or scheduled maturity.

### **10.2 Redemption at the option of the Issuer due to low aggregate Nominal Amount outstanding**

- (a) The Issuer shall have the right at any time, provided that less than 15 per cent. of the aggregate Nominal Amount of the Bonds issued on the Issue Date remain outstanding, to redeem all, but not only some, of the Outstanding Bonds at the

Clean-Up Redemption Date at a price per Bond resulting in aggregate redemption proceeds equal to:

- (i) the total number of Shares that would be deliverable to the Bondholders if the Conversion Rights in respect of all Outstanding Bonds were exercised (calculated, for the purposes of Clause 12.1(g), as if all of the Bonds were held by a single Bondholder) on the date of the Clean-Up Redemption Notice, multiplied by
  - (ii) the Current Market Price per Share on the date of the Clean-up Redemption Notice (the “**Clean-up Redemption Option**”).
- (b) The Clean-up Redemption Option may be exercised by the Issuer by prior written notice (the “**Clean-up Redemption Notice**”) to the Bond Trustee not more than 60 nor less than 30 calendar days before the Clean-up Redemption Date. Such notice sent by the Issuer shall be irrevocable and shall specify:
- (i) the Clean-up Redemption Date;
  - (ii) calculation of the redemption price per Bond; and
  - (iii) the latest date on which any Bondholder may exercise Conversion Rights.
- (c) For the purposes of this Clause 10.2, the aggregate Nominal Amount shall mean an amount in NOK, calculated on the basis that the EUR Bonds, SEK Bonds and USD Bonds are converted into NOK at their applicable Fixed Exchange Rate.

### **10.3 Redemption at the option of the Issuer following the Conversion Right Expiry Date**

- (a) The Issuer shall have the right, on any Post-Expiry PIK Date following the Post-Expiry First Call Date, to redeem all, but not only some, of the Outstanding Bonds (including, for the avoidance of doubt, PIK Bonds) at the Post-Expiry Redemption Date at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bond (the “**Post-Expiry Redemption Option**”).
- (b) The Post-Expiry Redemption Option may be exercised by the Issuer by prior written notice to the Bond Trustee not more than 60 nor less than 30 calendar days before the Post-Expiry Redemption Date. Such notice sent by the Issuer shall be irrevocable and shall specify the Post-Expiry Redemption Date.

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

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

The Issuer may, at its option, repurchase all or part of the Outstanding Bonds, at any time, without limitation as to price or quantity, either on- or off-market or by means of public tender or exchange offers and such Bonds may be retained, sold or cancelled at the Issuer’s sole discretion.

### **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 to ensure 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.

### 11.3 Lock-up

- (a) Up to one third of the Bonds issued to each Bondholder on the Issue Date may be disposed of by such Bondholder on or after (but not before) 9 August 2020, and up to two thirds of the Bonds issued to each Bondholder on the Issue Date (including any such Bonds previously disposed of by such Bondholder) may be disposed of on or after (but not before) 9 October 2020, provided that there shall be no restriction on the ability of a Bondholder to dispose of any of its Bonds:
  - (i) on any date falling on or after the Final Lock-up Date;
  - (ii) to any entity directly or indirectly controlled by such Bondholder or its nominees that assumes the same lock-up obligations as undertaken by such Bondholder;
  - (iii) pursuant to a transfer or assignment of such interests arising pursuant to a mortgage, charge, assignment, pledge, lien or other security interest having similar effect granted to any holders (or trustee or representative of holders) of obligations owed by, or securities issued by, such Bondholder or its nominee for those obligations or securities (provided that the Issuer shall procure that such interests are unable to be disposed of by any such holder, trustee or representative, save on terms set out in this Clause 11.3);
  - (iv) pursuant to such transfers as may be required by law or regulation or by any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority with jurisdiction over the Bondholder, its nominees or the Issuer;
  - (v) with the prior written consent of the Issuer (such consent not to be unreasonably withheld, delayed or conditioned) to a transferee who assumes the same lock-up obligations as undertaken by such Bondholder, provided that such Bondholder is able to provide evidence to the reasonable satisfaction of the Issuer that:
    - (A) it received such Bonds on the Issue Date by way of consideration for write-down of Senior Obligations owed to it by the Issuer, and
    - (B) either:
      - (1) it is restricted from holding such Bonds due to its mandate, constitution or other applicable law, or

- (2) its continued holding of the Bonds has detrimental tax consequences to such Bondholder; or
- (vi) on any date falling on or after the date on which all or substantially all Shares issued on or about the Issue Date by way of set-off against certain amounts owed to holders of Senior Obligations are released from the transfer restrictions placed on them on or about the Issue Date.
- (b) Paragraph (a) above shall apply *mutatis mutandis* to any Additional Bonds, save that any reference to “*Bonds issued to each Bondholder on the Issue Date*” shall be deemed to be a reference to Additional Bonds issued to each Bondholder on the date of issue of such Additional Bonds.

## 12. CONVERSION TERMS

### 12.1 Conversion Period and Conversion Price

- (a) As provided in these Bond Terms, each Bond shall entitle the holder to convert such Bond into new and/or existing Shares as determined by the Issuer, credited as fully paid (a “**Conversion Right**”).
- (b) The Conversion Right cannot be separated from the Bond.
- (c) The number of Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be equal to the Reference Shares in respect of such exercise.
- (d) The Issuer shall procure that Shares to be issued or transferred and delivered on exercise of Conversion Rights shall be issued or transferred and delivered to the relevant Bondholder or such Bondholder’s nominee as specified in the relevant Conversion Notice in accordance with the provisions of Clause 12.2 (*Procedure for exercise of Conversion Rights*).
- (e) The initial Conversion Price is NOK 4.24919 per Share. The Conversion Price is subject to adjustment in the circumstances described in Clause 13 (*Adjustment of the Conversion Price*). The expression “**Conversion Price**” shall be construed accordingly.
- (f) Subject to and as provided in these Bond Terms, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided during the Conversion Period or, if such Bond is to be redeemed pursuant to Clause 10.2 (*Redemption at the Option of the Issuer due to low aggregate Nominal Amount outstanding*) or Clause 10.3 (*Redemption at the option of the Issuer following the Conversion Right Expiry Date*), then to (and including) the date falling 10 Business Days prior to the date for fixed redemption thereof pursuant to Clause 10.2 (*Redemption at the Option of the Issuer due to low aggregate Nominal Amount outstanding*) or Clause 10.3 (*Redemption at the option of the Issuer following the Conversion Right Expiry Date*), unless there is a default in making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend to (and including) the date on which the full amount of such payment becomes available.

- (g) Fractions of Shares shall not be issued or transferred and delivered on exercise of Conversion Rights or pursuant to Clause 13.2 (*Retroactive Adjustments*) and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued or transferred and delivered on conversion or pursuant to Clause 13.2 (*Retroactive Adjustments*) are to be registered in the same name, the number of such Shares to be issued or transferred and delivered in respect thereof shall, pursuant and subject to the definition of “Reference Shares”, be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares.
- (h) The Issuer shall procure that Shares to be issued or transferred and delivered on exercise of Conversion Rights will be issued or transferred and delivered to the Bondholder completing the relevant Conversion Notice or such Bondholder’s nominee. Such Shares shall be deemed to be issued or transferred and delivered as of the relevant Conversion Date. Any Additional Shares to be issued or transferred and delivered pursuant to Clause 13.2 (*Retroactive Adjustments*) shall be deemed to be issued or transferred and delivered as of the relevant Reference Date.

## 12.2 Procedure for exercise of Conversion Rights

- (a) Conversion Rights may be exercised by a Bondholder (via its account manager) during the Conversion Period by delivering the relevant Bond to the Paying and Conversion Agent, during its usual business hours, through the CSD, accompanied by a notice of exercise of the Conversion Right (a “**Conversion Notice**”) acceptable to the Paying and Conversion Agent. Conversion Rights shall be exercised subject in each case to (i) any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying and Conversion Agent to whom the relevant Conversion Notice is delivered is located, and (ii) in accordance with a procedure to be further agreed (in each case) between the account manager (on behalf of the converting Bondholder) and the Paying and Conversion Agent.
- (b) If such delivery is made on a day which is not a Business Day or after the relevant cut-off time (as specified by the Paying and Conversion Agent) on a Business Day, such delivery shall be deemed for all purposes of these Bond Terms to have been made on the next following such Business Day.
- (c) Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the Paying and Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Bond Trustee, the Calculation Agent and the relevant Bondholder.
- (d) Conversion Rights may only be exercised in respect of the whole of a Bond.
- (e) A Conversion Notice, once delivered, shall be irrevocable.
- (f) The deemed date of exercise of the Conversion Right in respect of a Bond (the “**Conversion Date**”) shall be the business day in Norway immediately following the date of the delivery (or deemed delivery) of the relevant Bond and the Conversion Notice as provided in this Clause 12.2.

- (g) The Issuer shall pay all capital, stamp, issue and registration and transfer taxes and duties payable in Norway, or in any other jurisdiction in which the Issuer may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the issue or transfer and delivery of any Shares in respect of such exercise (including any Additional Shares) (“**Specified Taxes**”). If the Issuer shall fail to pay any Specified Taxes, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.
- (h) Neither the Bond Trustee nor any Paying and Conversion Agent shall be responsible for determining whether any Specified Taxes or Bondholder Taxes are payable or the amount thereof and shall not be responsible or liable for any failure by the Issuer to pay such Specified Taxes or by a Bondholder to pay such Bondholder taxes.
- (i) A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising on the exercise of Conversion Rights (other than any Specified Taxes). A Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal by it of a Bond or interest therein in connection with the exercise of Conversion Rights by it. Any such capital, stamp, issue, registration, transfer taxes or duties or other taxes payable by a Bondholder are referred to as “**Bondholder Taxes**”.
- (j) The Issuer shall (if relevant via the Paying and Conversion Agent) on or prior to the date falling 10 Business Days after a Conversion Date (i) carry the conversion into effect by, at its own discretion, issuing the relevant number of new Shares or transferring existing Shares to the converting Bondholder or his nominee, (ii) ensure the due registration of such Shares in the CSD (and transfer to the designated account of the converting Bondholder) and listing of such Shares on the Relevant Stock Exchange and any other stock exchange on which the Shares may then be listed or quoted or dealt in (and shall deliver any such documents and do any acts necessary in relation thereto), but this obligation to list such Shares shall not be considered as being breached as a result of a Change of Control Event (whether or not recommended or approved by the board of directors of the Issuer) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Issuer as a result of the Change of Control Event, a de-listing of the Shares, and (iii) ensure that the Bonds so converted to Shares shall be written down. Upon the issuance or transfer of the Shares on conversion of any Bonds in accordance with the terms of these Bond Terms, the Issuer shall have no further liability in respect of such Bonds.
- (k) Notwithstanding paragraph (j) above, if a Bondholder exercises Conversion Rights at any time prior to the Final Lock-Up Date and there is a requirement for a new prospectus in order for the resulting Shares to be listed on the Relevant Stock Exchange, the resulting Shares may be issued under a separate ISIN (such Shares referred to as the “**Temporary Shares**”). Upon the approval of the requisite prospectus, the Issuer shall ensure that the Temporary Shares are converted into the ISIN for the Shares. The Issuer shall use its reasonable endeavours to ensure that any

Temporary Shares are listed on the Relevant Stock Exchange within 1 month of the issue date for such Temporary Shares.

### **12.3 Ranking and entitlement in respect of Shares**

Shares (including any Additional Shares) issued or transferred and delivered on exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant Conversion Date or, in the case of Additional Shares, on the relevant Reference Date, and the relevant holder shall be entitled to all rights, distribution or payments the record date or other due date for the establishment of entitlement for which falls on or after the relevant Conversion Date, or as the case may be, the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law or as otherwise may be provided in these Bond Terms. Such Shares or, as the case may be, Additional Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

### **12.4 Purchase or Redemption of Shares**

The Issuer or any Subsidiary of the Issuer may exercise such rights as they may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Shares) or any depositary or other receipts or certificates representing the same without the consent of the Bondholders.

### **12.5 No Duty to Monitor**

Neither the Bond Trustee, the Calculation Agent nor any Paying and Conversion Agent shall be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price or be responsible or liable to any person for any loss arising from any failure by any of them to do so, nor shall the Bond Trustee, the Calculation Agent, or any Paying and Conversion Agent be responsible or liable to any person (other than in the case of the Calculation Agent, to the Issuer strictly in accordance with the relevant provisions of the Calculation Agency Agreement) for any determination of whether or not an adjustment to the Conversion Price is required or should be made nor as to the determination or calculation of any such adjustment.

## **13. ADJUSTMENT OF THE CONVERSION PRICE**

### **13.1 Adjustments**

Upon the occurrence of any of the events described below, the Conversion Price shall be adjusted by the Calculation Agent as follows:

(a) *Consolidation, reclassification, redesignation or subdivision*

If and whenever there shall be a consolidation, reclassification, redesignation or subdivision affecting the number of Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$



where:

- (i) **A** is the aggregate number of Shares in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and
- (ii) **B** is the aggregate number of Shares in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (a), the date on which the consolidation, reclassification, redesignation or sub-division, as the case may be, takes effect.

(b) *Capitalisation of profits or reserves*

If and whenever the Issuer shall issue any Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves, including any share premium account or capital redemption reserve (other than an issue of Shares constituting a cash Dividend pursuant to paragraph (a) of the definition of “Dividend”) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

- (i) **A** is the aggregate number of Shares in issue immediately before such issue; and
- (ii) **B** is the aggregate number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b), the date of issue of such Shares.

(c) *Dividends*

If and whenever the Issuer shall declare, announce, make or pay any Dividend to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- (i) **A** is the Current Market Price of one Share on the Ex-Date in respect of such Dividend; and

- (ii) **B** is the portion of the Fair Market Value of the aggregate Dividend attributable to one Share, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Shares or any depositary or other receipts or certificates representing Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Shares, or any Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (c), the later of (i) the Ex-Date in respect of such Dividend and (ii) the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein.

For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “Dividend” and in the definition of “Fair Market Value”) be determined as at the Ex-Date relating in respect of relevant Dividend.

(d) *Rights issues*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue any Shares to Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a consideration receivable per Share (based, where appropriate, on such number of Shares as is determined pursuant to the definition of “C” and the proviso below) which is less than 95 per cent. of the Current Market Price per Share on the Ex-Date in respect of the relevant issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- (i) **A** is the number of Shares in issue on such Ex-Date;
- (ii) **B** is the number of Shares which the aggregate consideration (if any) receivable for the Shares issued by way of rights, or for the Securities issued by way of rights and upon exercise of rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, Shares, or for the options or warrants or other rights issued by way of rights and for the total number of

Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Share; and

- (iii) C is the number of Shares to be issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if on such Ex-Date such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (d), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at such Ex-Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on such Ex-Date.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this paragraph (d), the later of (i) the Ex-Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (d).

(e) *Issue of Securities to Shareholders*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall (other than in the circumstances the subject of paragraph (d) and other than where such issue is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition “Dividend”), issue any Securities to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- (i) A is the Current Market Price of one Share on the Ex-Date in respect of the relevant issue or grant; and
- (ii) B is the Fair Market Value on such Ex-Date of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this paragraph (e), the later of (i) the Ex-Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (e).

(f) *Issue of Shares at less than 95 per cent. of the Current Market Price*

If and whenever the Issuer shall issue (otherwise than as mentioned in paragraph (d) above) wholly for cash or for no consideration any Shares (other than Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or rights to otherwise acquire, Shares and other than any issue of Shares constituting a cash Dividend pursuant to paragraph (a) of the definition of “Dividend”) or if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue or grant (otherwise than as mentioned in paragraph (d) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares (other than the Bonds), in each case at consideration receivable per Share (based, where appropriate, on such number of Shares as is determined pursuant to the definition of “C” and the proviso below) which is less than 95 per cent. of the Current Market Price per Share on the date of first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- (i) A is the number of Shares in issue immediately before the date of first public announcement of the terms of such issue of Shares or issue or grant of options, warrants or other rights as provided above;
- (ii) B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and
- (iii) C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights;

provided that if on the date of first public announcement of the terms of such issue or grant (as used in this paragraph (f), the “Specified Date”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (f), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at

the Specified Date and as if such conversion, exchange, subscription, purchase, acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (f), the later of (i) the date of issue of such Shares or, as the case may be, the issue or grant of such options, warrants or rights and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (f).

(g) *Other issues*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall (otherwise than as mentioned in paragraphs (d), (e) or (f) above) issue wholly for cash or for no consideration any Securities (other than where such issue of Securities is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition of “Dividend”) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified or redesignated as Shares, in each case where the consideration per Share (based, where appropriate, on such number of Shares as is determined pursuant to the definition of “C” and the proviso below) receivable upon conversion, exchange, subscription, purchase, acquisition, reclassification or redesignation is less than 95 per cent. of the Current Market Price per Share on the date of first public announcement of the terms of the issue of such Securities (or the terms of such grant), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- (i) **A** is the number of Shares in issue immediately before the date of first public announcement of the terms of the issue of such Securities (or the terms of such grant);
- (ii) **B** is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Shares to be issued or to arise from any such reclassification or redesignation would purchase at such Current Market Price per Share; and
- (iii) **C** is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription, purchase or acquisition attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as

the case may be, the maximum number of Shares which may be issued or arise from any such reclassification or redesignation,

provided that if on the date of first public announcement of the terms of the issue of such Securities (or the terms of such grant) (as used in this paragraph (g), the “Specified Date”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified or redesignated or at such other time as may be provided), then for the purposes of this paragraph (g), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition, reclassification or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this paragraph (g), the later of (i) the date of issue of such Securities or, as the case may be, the grant of such rights and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (g).

(h) *Modification of rights*

If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any Securities (other than the Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Shares (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Share (based, where appropriate, on such number of Shares as is determined pursuant to the definition of “C” and the proviso below) receivable upon conversion, exchange, subscription, purchase or acquisition has been reduced and is less than 95 per cent. of the Current Market Price per Share on the date of first public announcement of the terms for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- (i) **A** is the number of Shares in issue immediately before the date of first public announcement of the terms for such modification;
- (ii) **B** is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such

Current Market Price per Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and

- (iii) C is the maximum number of Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent shall consider appropriate for any previous adjustment under this paragraph (h) or paragraph (g) above;

provided that if on the date of first public announcement of the terms of such modification (as used in this paragraph (h), the “Specified Date”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this paragraph (h), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this paragraph (h), the later of (i) the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (h).

- (i) *Certain arrangements*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Shares or Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Shares or Securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (b), (c), (d), (e), (f) or (g) above or (j) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Share on the relevant day)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- (i) A is the Current Market Price of one Share on the Ex-Date in respect of the relevant offer; and

- (ii) **B** is the Fair Market Value on such Ex-Date of the portion of the relevant offer attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (i), the later of (i) the Ex-Date in respect of the relevant offer and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (i).

(j) *Other adjustments*

If the Issuer (following consultation with the Calculation Agent) determines that an adjustment should be made to the Conversion Price (or that a determination should be made as to whether an adjustment should be made) as a result of one or more circumstances not referred to above in this Clause 13.1 (even if the relevant circumstance is specifically excluded from the operation of paragraphs (a) to (i) above), the Issuer shall, at its own expense and acting reasonably, request an Independent Adviser to determine, in consultation with the Calculation Agent, if different, as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this paragraph (j) if such Independent Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

(k) *Modifications*

Notwithstanding the foregoing provisions:

- (i) where the events or circumstances giving rise to any adjustment pursuant to this Clause 13.1 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Issuer, following consultation with the Calculation Agent, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result;
- (ii) such modification shall be made to the operation of these Bond Terms as may be determined in good faith by an Independent Adviser, in consultation with the Calculation Agent (if different), to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that



the economic effect of a Dividend is not taken into account more than once;  
and

- (iii) other than pursuant to paragraph (a) above, no adjustment shall be made that would result in an increase to the Conversion Price.

### 13.2 Calculation of consideration

For the purpose of any calculation of the consideration receivable or price pursuant to paragraph (d), (f), (g) and (h) of Clause 13.1 (*Adjustments*), the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Shares issued for cash shall be the amount of such cash;
- (b) (i) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities (whether on one or more occasions) and (ii) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Ex-Date referred to in paragraph (d) of Clause 13.1 (*Adjustments*) or as at the relevant date of first public announcement referred to in paragraph (f), (g) or (h) of Clause 13.1 (*Adjustments*), as the case may be, plus in the case of each of (i) and (ii) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (iii) the consideration receivable or price per Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (i) or (ii) above (as the case may be) divided by the number of Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate, all as determined in good faith by the Calculation Agent;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency (other than in circumstances where such consideration is also expressed in the Relevant Currency, in which case such consideration shall be treated as expressed in the Relevant Currency in an amount equal to the amount of such consideration when so expressed in the Relevant Currency), it shall be converted by the Calculation Agent into the Relevant Currency at the Prevailing Rate on the relevant Ex-Date (for the purposes of paragraph (d) of Clause 13.1 (*Adjustments*)) or

the relevant date of first public announcement (for the purpose of paragraph (f), (g) or (h) of Clause 13.1 (*Adjustments*), as the case may be);

- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Shares or Securities or options, warrants or rights, or otherwise in connection therewith;
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity;
- (f) if as part of the same transaction, Shares shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Share shall be determined by dividing the aggregate consideration (determined as aforesaid and converted, if and to the extent not in the Relevant Currency, into the Relevant Currency as aforesaid) by the aggregate number of Shares so issued; and
- (g) references in these Bond Terms to “cash” includes any promise or undertaking to pay cash or any release or extinguishment of, or set-off against, a liability or obligation to pay a cash amount.

### 13.3 Retroactive Adjustments

- (a) If the Conversion Date in relation to any exercise of Conversion Rights in respect of any Bond shall be after the record date in respect of any consolidation, reclassification or sub-division as is mentioned in paragraph (a) of Clause 13.1 (*Adjustments*), or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in paragraph (b), (c), (d), (e) or (i) of Clause 13.1 (*Adjustments*), or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in paragraph (f) and (g) of Clause 13.1 (*Adjustments*) or of the terms of any such modification as is mentioned in paragraph (h) of Clause 13.1 (*Adjustments*), in any case where the relevant Conversion Date falls before the relevant adjustment to the Conversion Price becomes effective under Clause 13.1 (*Adjustments*) (such adjustment, a “**Retroactive Adjustment**”), then the Issuer shall procure that there shall be issued or transferred and delivered to the converting Bondholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Shares (if any) (the “**Additional Shares**”) as, together with the Shares issued or transferred and delivered on the relevant exercise of Conversion Rights, (together with any fraction of a Share not so issued or transferred and delivered), is equal to the number of Shares which would have been required to be issued or transferred and delivered in respect of such exercise of Conversion Rights if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date, all as determined by the Calculation Agent or an Independent Adviser, provided that if in the case of paragraph (b), (c), (d), (e) or (i) of Clause 13.1 (*Adjustments*) the relevant Bondholder shall be entitled to receive the relevant Shares, Dividends or Securities

in respect of the Shares to be issued or transferred and delivered to it, then no such Retroactive Adjustment shall be made in relation to the relevant event and the relevant Bondholder shall not be entitled to receive Additional Shares in relation thereto.

“**Reference Date**” means, in relation to a Retroactive Adjustment, the date on which the relevant adjustment to the Conversion Price takes effect or, in any such case, if that is not a Dealing Day, the next following Dealing Day.

#### **13.4 Decision and Determination of the Calculation Agent or an Independent Adviser**

- (a) Adjustments to the Conversion Price shall be determined and calculated by the Calculation Agent upon request from the Issuer and/or, to the extent so specified in these Bond Terms and upon request from the Issuer, by an Independent Adviser.
- (b) Adjustments to the Conversion Price calculated by the Calculation Agent or, where applicable, an Independent Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Adviser, or an opinion of an Independent Adviser, pursuant to these Bond Terms shall in each case be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Bond Trustee, the Bondholders, the Calculation Agent (in the case of a determination by an Independent Adviser) and the Paying and Conversion Agent.
- (c) The Calculation Agent may consult, at the expense of the Issuer, on any matter (including, but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Bond Trustee, the Bondholders or the Paying and Conversion Agent in respect of anything done, or omitted to be done, relating to that matter in good faith, in accordance with that adviser’s opinion.
- (d) The Calculation Agent shall act solely upon the request from, and exclusively as agent of, the Issuer and in accordance with these Bond Terms. Neither the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Bonds (acting in such capacity) will thereby assume any obligations towards or relationship of agency or trust and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, in its capacity as Calculation Agent as against the Bond Trustee, the Bondholders or the Paying and Conversion Agent.

#### **13.5 Share or option schemes, Dividend reinvestment plans**

No adjustment shall be made to the Conversion Price where Shares or other Securities (including, but not limited to, rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or non-executive office, consultants or former consultants, or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or nominee to be held for the benefit of any such person, in any such case pursuant to any share or option or incentive scheme or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme.

### **13.6 Rounding down and notice of adjustment to the Conversion Price**

- (a) On any adjustment, the resultant Conversion Price, if not an integral multiple of NOK 0.00001, shall be rounded down to the nearest whole multiple of NOK 0.00001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.
- (b) Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders and to the Bond Trustee promptly after the determination thereof.
- (c) The Conversion Price shall not in any event be reduced to below the Par Value of the Shares and the Issuer undertakes that it shall not take any action, and shall ensure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such Par Value.

## **14. MERGER**

### **14.1 Conversion Rights under Mergers**

In the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), the Issuer shall take such steps as shall be necessary (including the execution of an agreement supplemental to or amending the Bond Terms) to ensure that each Bond then outstanding will (during the period in which Conversion Rights may be exercised) be converted into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation or merger by a holder of the number of Shares which would have been issuable upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation or merger. Such supplemental agreement shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in Clause 13 (*Adjustment of the Conversion Price*). The above shall apply, *mutatis mutandis* to any subsequent consolidations, amalgamations or mergers.

### **14.2 Right to object**

The provisions in this Clause 14 have no limitation on the creditor's right of objection to the merger or de-merger.

## **15. INFORMATION UNDERTAKINGS**

### **15.1 Financial Reports**

- (a) 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 four months after the end of the financial year.
- (b) 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 two months after the end of the relevant interim period.

## **15.2 Requirements as to Financial Reports**

The Issuer shall procure that the Financial Reports delivered pursuant to Clause 15.1 (*Financial Reports*) are prepared using GAAP consistently applied.

## **15.3 Information: Miscellaneous**

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Acceleration Event or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Acceleration Event;
- (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 rating 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;
- (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;
- (h) of its own accord, inform the Bond Trustee of any event that results in an adjustment of the Conversion Price promptly thereafter; and
- (i) following the occurrence of a Change of Control Event, as soon as practicable (and in any case no later than 14 calendar days) after the Issuer becomes aware of it, notify the Bondholders (via the CSD), the Bond Trustee and (if the Bonds are listed or admitted to trading at the date of such Change of Control Event) the relevant Exchange. The notice shall specify:
  - (i) the applicable Conversion Price in effect;
  - (ii) the Bondholders' entitlement to exercise their Conversion Rights;
  - (iii) the expiry of the Conversion Period; and
  - (iv) other relevant details (if any) concerning the Change of Control Event.

## 16. GENERAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 16 (*General and financial undertakings*).

### 16.1 Special covenants - convertible bonds

- (a) The Issuer shall ensure that all Shares issued upon exercise of the Conversion Right in respect of the Bonds shall be registered in the CSD on the Conversion Date and shall be listed on the Relevant Stock Exchange and any other stock exchange on which the Shares may then be listed or quoted or dealt in as soon as practicable thereafter (but this covenant shall not be considered as being breached as a result of a Change of Control Event (whether or not recommended or approved by the board of directors of the Issuer) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Issuer as a result of the Change of Control Event, a de-listing of the Shares).
- (b) The Issuer shall use its best endeavours to ensure that the Shares shall remain listed on a Relevant Stock Exchange.
- (c) At any time on or after the Conversion Right Expiry Date while any Bonds remain outstanding, the Issuer shall not declare or make any Dividend, interest, other distribution or payment in respect of:
  - (i) any Parity Obligations; or
  - (ii) any class of shares of the Issuer or any other obligation of the Issuer which ranks junior to the Bonds.

## 17. ACCRUAL OF INTEREST FOLLOWING CONVERSION RIGHT EXPIRY DATE

- (a) From and including the Conversion Right Expiry Date:
  - (i) each Outstanding Bond shall accrue interest payable in kind in accordance with paragraph (c) below at the Post-Expiry Interest Rate for each Post-Expiry Interest Period, commencing on and including the first date of the Post-Expiry Interest Period, and ending on but excluding the last date of the Post-Expiry Interest Period; and
  - (ii) each Additional Bond issued thereafter shall accrue interest payable in kind in accordance with paragraph (c) below at the Post-Expiry Interest Rate commencing on the first date of the Post-Expiry Interest Period in which such Additional Bond is issued and thereafter in accordance with Clause (i) above.
- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each, unless:
  - (i) the last day in the relevant Post-Expiry Interest Period is the 31<sup>st</sup> calendar day but the first day of that Post-Expiry 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 Post-Expiry Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.
- (c) Interest shall fall due on each Post-Expiry PIK Date for the Post-Expiry Interest Period ending on that Post-Expiry PIK Date, and shall be settled on that Post-Expiry PIK Date through the issuance to the Bondholders on a *pro rata* basis of additional Bonds (“**PIK Bonds**”) in the currency and in an amount equal to the interest falling due on that Post-Expiry PIK Date (rounded down to the nearest Nominal Amount of such PIK Bonds).
- (d) PIK Bonds shall accrue interest from, and including, the applicable Post-Expiry PIK Date on which such PIK Bonds are issued, on this principles set out in this Clause 17.

## 18. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

### 18.1 No Events of Default

- (a) The Bonds are not subject to any event of default provisions. Neither the Bond Trustee nor the Bondholders may declare any event of default by the Issuer of any of its obligations under these Bond Terms (neither on a contractual basis nor on the basis of general principles of Norwegian law).
- (b) The Bond Trustee may only demand repayment of the Bonds in accordance with Clause 18.2 (*Acceleration of the Bonds*) on or after the date on which any order is made or resolution is passed for the final liquidation, final winding-up or final dissolution (or analogous insolvency process in any jurisdiction) of the Issuer (otherwise than for the purposes of reconstruction, amalgamation or merger where the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer) (an “**Acceleration Event**”). The Bond Trustee may not demand that the Bonds become payable in any other circumstances.
- (c) Notwithstanding any term of these Bond Terms, the Bond Trustee may take any action which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of the Bonds, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods.

### 18.2 Acceleration of the Bonds

- (a) If an Acceleration Event 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 18.3 (*Bondholders’ instructions*) below, on written notice to the Issuer (an “**Acceleration Notice**”):
  - (i) declare that the Outstanding Bonds be due and payable on the Acceleration Repayment Date (the date of such declaration being the “**Acceleration Date**”); and/or
  - (ii) 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 on or following (but not before) the Acceleration Repayment Date

in each case subject to Clause 18.4 (*Calculation of Claim*) below.

- (b) In the case of a demand issued pursuant to paragraph (a)(i) above, the Acceleration Event shall however be deemed not to have occurred (and any Acceleration Notice made with reference to such Acceleration Event shall be deemed invalid and any steps taken in relation thereto shall (to the extent legally possible) be reversed) if the order or resolution for the final liquidation, final winding-up or final dissolution (or analogous insolvency process in any jurisdiction) of the Issuer is revoked or otherwise no longer effective.

### **18.3 Bondholders' instructions**

The Bond Trustee shall serve an Acceleration Notice pursuant to Clause 18.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, 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 serving of an Acceleration Notice.

### **18.4 Calculation of claim**

- (a) The amount of any claim derived from the Outstanding Bonds due for payment on the Acceleration Repayment Date (the "Claim") shall be calculated as if all such Outstanding Bonds had been converted into Shares on the Acceleration Date, at the Conversion Price in effect as of the Acceleration Date plus the amount of any accrued but unpaid interest.
- (b) To the extent that the aggregate Nominal Amount of the Outstanding Bonds as of the Acceleration Date exceeds the amount of the Claim, the Issuer shall not be obliged to (and will not) make any other payment or settlement in any form in lieu of such excess, and the Bondholders shall have no further rights to or in respect of the such excess.

## **19. BONDHOLDERS' DECISIONS**

### **19.1 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 may not adopt resolutions which would give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 20.1 (*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.



- (d) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (i) and (ii) of Clause 21.1 (*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.

## **19.2 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 not 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 with regard to 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 shall be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee shall 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.

### 19.3 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 19 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee shall, 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 shall have the deciding vote.

#### **19.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 19.1 (*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 19.1 (*Authority of the Bondholders' Meeting*), Clause 19.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 19.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 19.1 (*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 19.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 19.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

#### **19.5 Written Resolutions**

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 19.1 (*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 19.1 (*Authority of the Bondholders' Meeting*), 19.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 19.3 (*Voting Rules*) and Clause 19.4 (*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 19.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 19.5 (*Written Resolution*),
 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 (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (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*), shall be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (d) or paragraph (e) of Clause 19.1 (*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 shall 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 close of business on the last day of the Voting Period, and a decision shall be made based on the quorum and majority

requirements set out in paragraphs (d) to (f) of Clause 19.1 (*Authority of Bondholders' Meeting*).

## **20. THE BOND TRUSTEE**

### **20.1 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.

### **20.2 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 such 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 unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Acceleration Event or event of default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Acceleration Event or 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 ensure 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 20.4 (*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 amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **20.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which would 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.

### **20.4 Expenses, liability and indemnity**

- (a) The Bond Trustee shall 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 shall 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 shall 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 shall 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 for the purpose of investigating or considering a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents 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 the Issuer being Insolvent or similar circumstances pertaining to the Issuer, 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 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, 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 18.3 (*Bondholders' instructions*) or Clause

19.2 (*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.

## **20.5 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 19 (*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 20.5 (*Replacement of the Bond Trustee*), 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 20.5 (*Replacement of the Bond Trustee*). 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.

## **21. AMENDMENTS AND WAIVERS**

### **21.1 Procedure for amendments and waivers**

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:

- (a) 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;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or



- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 19 (*Bondholders' Decisions*).

## **21.2 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.

## **21.3 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 21 (*Amendments and waivers*), 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 Clause 21.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

## **22. MISCELLANEOUS**

### **22.1 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.

### **22.2 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.

### **22.3 Notices, contact information**

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.

- (a) 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).
- (b) 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.
- (c) 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, e-mail or fax. 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;
  - (iii) if by fax, when received; and
  - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) 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.

#### **22.4 The Calculation Agent**

The Issuer reserves the right, subject to the prior approval of the Bond Trustee, under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint another Calculation Agent, provided that it will maintain a Calculation Agent which shall be a financial institution of international repute or a financial adviser with appropriate expertise. Notice of any change in the Calculation Agent will promptly be given by the Issuer to Bondholders.

## **23. GOVERNING LAW AND JURISDICTION**

### **23.1 Governing law**

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

### **23.2 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.

### **23.3 Alternative jurisdiction**

Clause 23 (*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 of its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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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.

**SIGNATORIES:**

**The Issuer:**

**As Bond Trustee:**

NORWEGIAN AIR SHUTTLE ASA

NORDIC TRUSTEE AS



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Name: Geir Karlsen

Name:

Title: Chief Financial Officer

Title:

**SIGNATORIES:**

**The Issuer:**

NORWEGIAN AIR SHUTTLE ASA

\_\_\_\_\_  
Name:

Title:

**As Bond Trustee:**

NORDIC TRUSTEE AS

  
\_\_\_\_\_  
Name:

Title: