

## Securities Note

FRN Norwegian Air Shuttle ASA Senior Unsecured Open  
Bond Issue 2012/2015

NO 001 064220.0



Arrangers:



29.08 2012

Prepared according to Commission Regulation (EC) No 809/2004 - Annex XIII

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**Important notice**

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. Finanstilsynet (The Financial Supervisory, Authority of Norway) has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. 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 Borrower or its subsidiaries may not have been changed.

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

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

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower or the Arrangers to receive copies of the Securities Note.

This Securities Note should be read together with the Registration Document dated 29.08 2012. The documents together constitute a prospectus.

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## 1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment.

There are three main risk factors that sums up the investors total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk and market risk (both in general and Issuer).

The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate. Please refer to the Registration Document issued in connection with this bond issue for a listing of Company specific risk factors.

The Bonds carries a floating rate note, with an interest rate period of 3 months, so the rate will be adjusted with the market rates on a quarterly basis.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

## **2. Person responsible**

Norwegian Air Shuttle ASA confirm that to the best of their knowledge, after having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is in accordance with the facts and contains no omission likely to affect its import.

29.08 2012

Norwegian Air Shuttle ASA

### 3. Information concerning the securities

ISIN code:	NO 001 064220.0
The Loan/ The Bonds/The Issue:	FRN Norwegian Air Shuttle ASA Senior Unsecured Open Bond Issue 2012/2015
Borrower/Issuer:	Norwegian Air Shuttle ASA
Security Type:	Bond issue with floating rate.
Maximum Amount:	NOK 800 000 000
Outstanding Amount:	NOK 600 000 000
Denomination – Each Bond:	NOK 500 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement//Issue Date:	13 April 2012.
Interest Accrual Date:	Disbursement/Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	13 April 2015.
Interest Rate:	NIBOR + Margin
Margin:	5,50 percentage points per annum
Bond Reference Rate:	3 months NIBOR
Current Rate:	7,75%
Interest Payment Date:	13 January, 13 April, 13 July and 13 October each year
NIBOR:	The rate for an interest period will be the rate for deposits in Norwegian Kroner for a period as defined under Bond Reference Rate which appears on the Reuters Screen NIBR Page as of 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date. If such rate does not appear on the Reuters Screen NIBR Page, the rate for that Interest Payment Date will be determined as if the Bond Reference Rate is NIBOR Reference Rate as the applicable floating rate option.
NIBOR Reference Rate:	The rate for an interest period will be determined on the basis of the rates at which deposits in Norwegian Kroner are offered by four large authorised exchange banks in the Oslo market (the "Reference Banks") at approximately 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date to prime banks in the Oslo interbank market for a period as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative

	<p>amount. The Bond Trustee will request the principal Oslo office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Payment Date shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Payment Date will be the arithmetic mean of the rates quoted by major banks in Oslo, selected by the Bond Trustee, at approximately 12.00 noon, Oslo time, on that Interest Payment Date for loans in Norwegian Kroner to leading European banks for a period as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative amount.</p>
Day Count Fraction - Coupon:	Act/360
Business Day Convention:	<p>Modified Following.</p> <p>If the relevant Interest Payment Date falls on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (Modified Following Business Day Convention).</p>
Issue Price:	100 % (par value).
Yield:	<p>Dependent on the market price. Yield for the first Interest period will be notified 2 Banking Days prior to Disbursement Date.</p> <p>For future Yield, the Interest Rate will be set two Banking Days prior to each Interest Payment Date.</p>
Business Day:	Any day on which Norwegian commercial banks are open for general business, and when Norwegian banks can settle foreign currency transactions, being any day on which the Norwegian Central Bank's Settlement System is open.
Maturity:	The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.
Change of control / De-Listing:	See Bond Agreement section 10.2.
Redemption:	<p>Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.</p>
Status of the Bonds and security:	<p>The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least pari passu with all other unsecured senior debt of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>
Financial Covenants:	<p>(a) <i>Dividends and other distributions</i></p> <p>During the term of the Bonds the Issuer shall not, within</p>

a calendar year make any dividend payment, repurchase of shares or make other distributions or loans to its shareholders (including any transaction with a similar effect) that constitutes more than, on a consolidated basis, 35 per cent of the net profit after taxes of the Group based on the audited accounts for the previous accounting year (any un-utilized portion of the permitted dividend pursuant to the above may not be carried forward), save that the Issuer may repurchase shares in connection with any option or similar incentive program of the Issuer in force at any time made for the benefit of its employees and/or management and/or directors of the Issuer.

*(b) Book Equity to Capital Employed*

The Issuer shall ensure that the Group, on a consolidated basis, maintains a Book Equity which constitutes more than 30 per cent of Capital Employed.

*(c) Liquidity*

The Issuer shall ensure that the Group, on a consolidated basis, maintains minimum Liquidity of NOK 100 million.

The Issuer undertakes to ensure that the Group complies with the above Financial Covenants at all times, such compliance to be certified by the Issuer with each annual financial statement and quarterly financial statement. All Financial Covenants shall be calculated on a consolidated basis for the Group during the term of the Bonds.

Covenants:	See Bond Agreement section 13.
Event of Default:	See Bond Agreement section 15.
Purpose:	The net proceeds of the Bonds shall be employed for refinancing of the bond issue with ISIN NO 001 056091.5 (FRN Senior Unsecured Open Bond Issue 2009/2012) and for general corporate purposes.
Approvals:	The Bonds were issued in accordance with the Borrower's Board approval 15 February 2012. The prospectus will be sent Finanstilsynet for control and approval.
Listing:	An application for listing will be sent Oslo Børs as soon as possible after the Prospectus has been approved by Finanstilsynet.
Bond Agreement:	<p>The Bond Agreement has been entered into between the Borrower and the Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.</p> <p>Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond</p>



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	Agreement clause 16.
	Information regarding the role of the Trustee, see Bond Agreement clause 17.
	The Bond Agreement is attached to this Securities Note.
Documentation:	Registration Document, Securities Note, Bond Agreement.
Availability of the Documentation:	<a href="http://www.norwegian.no">www.norwegian.no</a> and Norsk Tillitsmann ASA
Trustee:	Norsk Tillitsmann ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Arrangers:	Arctic Securities ASA, P.O. Box 1833 Vika, N-0123 Oslo, Norway Swedbank First Securities, Dilipstad Brygge 1, 0115 Oslo, Norway
Paying Agent:	DnB Bank ASA, Stranden 21, 0021 Oslo, Norway.
Calculation Agent:	Norsk Tillitsmann ASA, P.O. Box 1470 Vika, Norway.
Listing Agent:	Norsk Tillitsmann ASA, P.O. Box 1470 Vika, Norway.
Securities Depository:	Verdipapirsentralen ("VPS"), Postboks 4, 0051 OSLO
Market-Making:	There is no market-making agreement entered into in connection with the Loan.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.
Fees:	Listing fee 2012 NOK 16 101,- Securities Note NOK 13 000,- Registration Document NOK 50 000,- Listing Agent: 75 000,-

## 4. Definitions

Book Equity:	means the aggregate book value (on a consolidated basis) of the Group's total equity in accordance with GAAP, as set out in the most recent audited consolidated annual financial statements (or, if more recent, the latest quarterly financial reports) of the Issuer
Capital Employed:	means Book Equity plus Net Interest Bearing Debt.
Cash and Cash Equivalents:	<p>means, on any date, the aggregate of the equivalent in NOK on such date of the then current market value of:</p> <p>a) cash in hand or amounts standing to the credit of any current and/or on deposit account with an acceptable bank; and</p> <p>b) time deposits with acceptable banks and certificates of deposit issued, and bills of exchange accepted, by an acceptable bank,</p> <p>in each case, to which any Group Company is beneficially entitled at that time and to which any such Group Company has free and unrestricted access. An "acceptable bank" for this purpose is:</p> <p>(i) a commercial bank, savings bank and trust company which has a rating of A- or higher by Standard &amp; Poor's, Moody's or a comparable rating from a nationally recognized credit ranking agency for its long-term debt obligations; or</p> <p>(ii) a bank or financial institution which is authorized to carry on banking business in Norway.</p>
Group:	means the Issuer and all its (directly or indirectly owned) Subsidiaries from time to time, each a "Group Company".
Liquidity:	means (i) the aggregate book value of the Group's freely available and unrestricted Cash and Cash Equivalents (on a consolidated basis) and (ii) other cash which is available for the servicing of the debt of the Group. For the sake of good order, any amount standing to the credit of any pledged bank accounts as security for the Group's debt shall be regarded as free and unrestricted cash as long as no Event of Default has occurred.
Net Interest Bearing Debt:	means the aggregate book value of the Group's total interest bearing debt less any Cash and Cash Equivalents (on a consolidated basis), in accordance with GAAP, as set out in the most recent audited consolidated annual financial statements or the latest quarterly financial reports (as the case may be).
Subsidiary:	means an entity over which another entity or person has a determining influence due to (i) direct and indirect ownership of shares or other ownership interests, and/or (ii) agreement, understanding or other arrangement. An entity shall always be considered to be the subsidiary of

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another entity or person if such entity or person has such number of shares or ownership interests so as to represent the majority of the votes in the entity, or has the right to vote in or vote out a majority of the directors in the entity.

## 5. Additional information

The involved persons in Norwegian Air Shuttle ASA have no interest, nor conflicting interests that is material to the Issue.

Norwegian Air Shuttle ASA has mandated Arctic Securities ASA and Swedbank First Securities as Arrangers for the issuance of the Loan. The Arrangers have acted as advisor to Norwegian Air Shuttle ASA in relation to the pricing of the Loan.

### **Statement from the Listing Agent:**

Norsk Tillitsmann ASA acting as Listing Agent has assisted the Borrower in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with bonds issued by Norwegian Air Shuttle ASA or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

## **6. Appendix: Bond Agreement**

ISIN NO 001 064220.0

**BOND AGREEMENT**

between

**Norwegian Air Shuttle ASA**  
(Issuer)

and

**Norsk Tillitsmann ASA**  
(Bond Trustee)

on behalf of

**the Bondholders**

in the bond issue

FRN Norwegian Air Shuttle ASA Senior Unsecured Open Bond Issue  
2012/2015



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This agreement has been entered into on 11 April 2012 between

(1) Norwegian Air Shuttle ASA (a company incorporated in Norway with Company No. 965 920 358 as issuer (the “**Issuer**”), and

(2) Norsk Tillitsmann ASA (a company incorporated in Norway with Company No. 963 342 624) as bond trustee (the “**Bond Trustee**”).

## **1 Interpretation**

### *1.1 Definitions*

In this Bond Agreement the following terms shall have the following meanings (certain terms relevant for Clauses 13 and 18.2 and other Clauses may be defined in the relevant Clause):

“**Account Manager**” means a Bondholder’s account manager in the Securities Register.

“**Attachment**” means any attachments to this Bond Agreement.

“**Bond Agreement**” means this bond agreement, including any Attachments to which it refers, and any subsequent amendments and additions agreed between the Parties.

“**Bond Issue**” means the bond issue constituted by the Bonds.

“**Bond Reference Rate**” means 3 months NIBOR.

“**Bondholder**” means a holder of Bond(s), as registered in the Securities Register, from time to time.

“**Bondholders’ Meeting**” means a meeting of Bondholders, as set forth in Clause 16.

“**Book Equity**” means the aggregate book value (on a consolidated basis) of the Group’s total equity in accordance with GAAP, as set out in the most recent audited consolidated annual financial statements (or, if more recent, the latest quarterly financial reports) of the Issuer.

“**Bonds**” means the securities issued by the Issuer pursuant to this Bond Agreement, representing the Bondholders’ underlying claim on the Issuer.

“**Business Day**” means any day on which Norwegian commercial banks are open for general business, and when Norwegian banks can settle foreign currency transactions, being any day on which the Norwegian Central Bank’s Settlement System is open.



**“Business Day Convention”** means that if the relevant Interest Payment Date falls on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (*Modified Following Business Day Convention*).

**“Capital Employed”** means Book Equity plus Net Interest Bearing Debt.

**“Cash and Cash Equivalents”** means, on any date, the aggregate of the equivalent in NOK on such date of the then current market value of:

- a) cash in hand or amounts standing to the credit of any current and/or on deposit account with an acceptable bank; and
- b) time deposits with acceptable banks and certificates of deposit issued, and bills of exchange accepted, by an acceptable bank,

in each case, to which any Group Company is beneficially entitled at that time and to which any such Group Company has free and unrestricted access. An **“acceptable bank”** for this purpose is:

- (i) a commercial bank, savings bank and trust company which has a rating of A- or higher by Standard & Poor’s, Moody’s or a comparable rating from a nationally recognized credit ranking agency for its long-term debt obligations; or
- (ii) a bank or financial institution which is authorized to carry on banking business in Norway.


**“Change of Control Event”** means an event where any person or group (as such term is defined in the Norwegian Limited Companies Act § 1-3), acting in concert, directly or indirectly, gains control, directly or indirectly, of at least 50 per cent of the issued share capital or the voting rights of the Issuer.

**“Costs”** means all costs, expenses, disbursements, payments, charges, losses, demands, claims, liabilities, penalties, fines, damages, judgments, orders, sanctions, fees (including travel expenses, VAT, court fees and legal fees) and any other outgoings of whatever nature.

**“De-Listing Event”** means an event where the Issuer’s shares are de-listed from Oslo Stock Exchange.

**“Encumbrance”** means any encumbrance, mortgage, pledge, lien, charge (whether fixed or floating), assignment by way of security, finance lease, sale and repurchase or sale and leaseback arrangement, sale of receivables on a recourse basis or security interest or any other agreement or arrangement having the effect of conferring security.

**“Event of Default”** means the occurrence of an event or circumstance specified in Clause 15.1.



**“Exchange”** means securities exchange or other reputable marketplace for securities, on which the Bonds are listed, or where the Issuer has applied for listing of the Bonds.

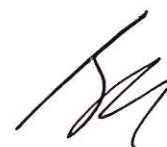
**“Finance Documents”** means (i) this Bond Agreement, (ii) the agreement between the Bond Trustee and the Issuer referred to in Clause 14.2 and (iii) any other document (whether creating a security interest or not) which is executed at any time by the Issuer in relation to any amount payable under this Bond Agreement.

**“Financial Indebtedness”** means any indebtedness incurred in respect of:

- (a) moneys borrowed, including acceptance credit;
- (b) any bond, note, debenture, loan stock or other similar instrument;
- (c) the amount of any liability in respect of any lease, hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (d) receivables sold or discounted (other than any receivables sold on a non-recourse basis);
- (e) any sale and lease-back transaction, or similar transaction which is treated as indebtedness under GAAP;
- (f) the acquisition cost of any asset to the extent payable after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price, including without limitation currency or interest rate swaps, caps or collar transactions (and, when calculating the value of the transaction, only the mark-to-market value shall be taken into account);
- (h) any amounts raised under any other transactions having the commercial effect of a borrowing or raising of money, whether recorded in the balance sheet or not (including any forward sale of purchase agreement);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institutions; and
- (j) (without double counting) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any of the items referred to in (a) through (i) above.

**“Financial Statements”** means the audited unconsolidated and consolidated annual accounts and financial statements of the Issuer for any financial year, drawn up according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

**“GAAP”** means the generally accepted accounting practice and principles in the country in which the Issuer is incorporated including, if applicable, the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.



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“**Group**” means the Issuer and all its (directly or indirectly owned) Subsidiaries from time to time, each a “**Group Company**”.

“**Interest Payment Date**” means 13 January, 13 April, 13 July and 13 October each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

“**ISIN**” means International Securities Identification Numbering system – the identification number of the Bonds.

“**Issue Date**” means 13 April 2012.

“**Issuer’s Bonds**” means Bonds owned by the Issuer, any party or parties who has decisive influence over the Issuer, or any party or parties over whom the Issuer has decisive influence.

“**Liquidity**” means (i) the aggregate book value of the Group’s freely available and unrestricted Cash and Cash Equivalents (on a consolidated basis) and (ii) other cash which is available for the servicing of the debt of the Group. For the sake of good order, any amount standing to the credit of any pledged bank accounts as security for the Group’s debt shall be regarded as free and unrestricted cash as long as no Event of Default has occurred.

“**Manager**” means the manager for the Bond Issue.

“**Margin**” means 5.50 percentage points per annum.

“**Material Adverse Effect**” means the material adverse effect on (a) the business, financial condition or operations of the Issuer and/or the Group taken as a whole, (b) the Issuer’s ability to perform and comply with its obligations under the Bond Agreement, or (c) the validity or enforceability of the Bond Agreement.

“**Material Subsidiary**” means:

- (i) any Subsidiary whose total consolidated assets represent at least 5 % of the total consolidated assets of the Group, or
- (ii) any Subsidiary whose total consolidated net sales represent at least 5 % of the total consolidated net sales of the Group, or
- (iii) any other Subsidiary to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the relevant date,

always provided that Subsidiaries not being a Material Subsidiary shall in aggregate not exceed 20 % of the consolidated turnover, gross assets or nets assets of the Group (as the case may be).

**“Maturity Date”** means 13 April 2015 or an earlier maturity date as provided for in this Bond Agreement. Any further adjustment may be made according to the Business Day Convention.

**“Net Interest Bearing Debt”** means the aggregate book value of the Group’s total interest bearing debt less any Cash and Cash Equivalents (on a consolidated basis), in accordance with GAAP, as set out in the most recent audited consolidated annual financial statements or the latest quarterly financial reports (as the case may be).

**“NIBOR”** means that the rate for an interest period will be the rate for deposits in Norwegian Kroner for a period as defined under Bond Reference Rate which appears on the Reuters Screen NIBR Page as of 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date. If such rate does not appear on the Reuters Screen NIBR Page, the rate for that Interest Payment Date will be determined as if the Bond Reference Rate is NIBOR Reference Rate as the applicable floating rate option.

**“NIBOR Reference Rate”** means that the rate for an interest period will be determined on the basis of the rates at which deposits in Norwegian Kroner are offered by four large authorised exchange banks in the Oslo market (the **“Reference Banks”**) at approximately 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date to prime banks in the Oslo interbank market for a period as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative amount. The Bond Trustee will request the principal Oslo office of each Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Payment Date shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Payment Date will be the arithmetic mean of the rates quoted by major banks in Oslo, selected by the Bond Trustee, at approximately 12.00 noon, Oslo time, on that Interest Payment Date for loans in Norwegian Kroner to leading European banks for a period as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative amount.

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

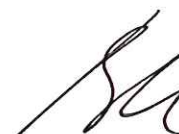
**“Outstanding Bonds”** means the aggregate value of the total number of Bonds not redeemed or otherwise discharged.

**“Party”** means a party to this Bond Agreement (including its successors and permitted transferees).

**“Paying Agent”** means any legal entity as appointed by the Issuer and approved by the Bond Trustee who acts as paying agent on behalf of the Issuer with respect to the Bonds.

**“Payment Date”** means a date for payment of principal or interest.

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



**“Quarterly Financial Reports”** means the unaudited unconsolidated and consolidated management accounts of the Issuer as of each Quarter Date, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.

**“Securities Register Act”** means the Norwegian Act relating to Registration of Financial Instruments of 5 July 2002 No. 64.

**“Securities Register”** means the securities register in which the Bonds are registered.

**“Security Agent”** means the Bond Trustee, unless any other legal entity is appointed as collateral agent pursuant to Clause 17.4.

**“Security Documents”** means any document establishing, recording, confirming or preserving any security interest over any Security Interest relating to this Bond Agreement.

**“Security Interests”** means any Encumbrances or other security (hereunder any guarantee) created (or to be created) by the Security Documents securing the obligations of the Obligors under this Bond Agreement

**“Subsidiary”** means an entity over which another entity or person has a determining influence due to (i) direct and indirect ownership of shares or other ownership interests, and/or (ii) agreement, understanding or other arrangement. An entity shall always be considered to be the subsidiary of another entity or person if such entity or person has such number of shares or ownership interests so as to represent the majority of the votes in the entity, or has the right to vote in or vote out a majority of the directors in the entity.

**“Tap Issue”** means subsequent issues after Issue Date up to the maximum amount described in Clause 2.2.1.

**“Taxes”** means all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings, and any restrictions and or conditions resulting in a charge together with interest thereon and penalties in respect thereof and **“Tax”** and **“Taxation”** shall be construed accordingly.

**“US Securities Act”** means the U.S. Securities Act of 1933, as amended.

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

## 1.2 *Construction*

In this Bond Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;



- (e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) references to “**control**” means the power to appoint a majority of the board of directors of the Issuer or to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise; and
- (h) references to a “**person**” shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality).

## 2 The Bonds

### 2.1 *Binding nature of the Bond Agreement*

2.1.1 The Bondholders are, through their subscription, purchase or other transfer of Bonds bound by the terms of the Bond Agreement and other Finance Documents, as the initial Bondholders in the subscription agreements granted authority to the Bond Trustee to finalize and execute the Bond Agreement on their behalf while all Bond transfers are subject to the terms of this Bond Agreement and all Bond transferees are, in taking transfer of Bonds, deemed to have accepted the terms of the Bond Agreement and the other Finance Documents and will automatically become parties to the Bond Agreement upon completed transfer having been registered in the Securities Register, without any further action required to be taken or formalities to be complied with, see also Clause 18.1.

2.1.2 The Bond Agreement is available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that the Bond Agreement is available to the general public throughout the entire term of the Bonds.

### 2.2 *The Bonds*

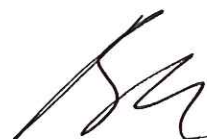
2.2.1 The Issuer has resolved to issue a series of Bonds in the total aggregate amount of NOK 800,000,000 (Norwegian kroner eight hundred million). The Bond Issue may comprise one or more tranches issued on different issue dates. The first tranche will be in the amount of NOK 600,000,000 (Norwegian kroner six hundred million).

The Bonds will be in denominations of NOK 500,000 each and rank *pari passu*.

The Bond Issue will be described as “FRN Norwegian Air Shuttle ASA Senior Unsecured Open Bond Issue 2012/2015”.

The International Securities Identification Number (ISIN) of the Bond Issue will be NO 001 0642200.

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



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- 2.2.2 The Bond Issue is a Tap Issue, under which subsequent issues may take place after Issue Date up to the maximum amount described in Clause 2.2.1, running from the Issue Date and to be closed no later than 5 Business Days prior to the Maturity Date.

All Tap Issues will be subject to identical terms in all respects. The rights and obligations of all parties to the Bond Agreement also apply for later Tap Issues. The Bond Trustee will on the issuing of additional Tap Issues make an addendum to the Bond Agreement regulating the conditions for such Tap Issue.

### 2.3 *Purpose and utilization*

- 2.3.1 The net proceeds of the Bonds shall be employed for refinancing of the bond issue with ISIN NO 001 056091.5 (FRN Senior Unsecured Open Bond Issue 2009/2012) and for general corporate purposes.

## 3 **Listing**

- 3.1 The Issuer shall apply for listing of the Bonds on Oslo Stock Exchange.
- 3.2 If the Bonds are listed, the Issuer shall ensure that the Bonds remain listed until they have been discharged in full.

## 4 **Registration in a Securities Register**

- 4.1 The Bond Issue and the Bonds shall prior to disbursement be registered in the Securities Register according to the Securities Register Act and the conditions of the Securities Register.
- 4.2 The Issuer shall promptly arrange for notification to the Securities Register of any changes in the terms and conditions of this Bond Agreement. The Bond Trustee shall receive a copy of the notification.
- 4.3 The Issuer is responsible for the implementation of correct registration in the Securities Register. The registration may be executed by an agent for the Issuer provided that the agent is qualified according to relevant regulations.
- 4.4 The Bonds have not been registered under the US Securities Act, and the Issuer is under no obligation to arrange for registration of the Bonds under the US Securities Act.

## 5 **Purchase and transfer of Bonds**

### 5.1 *Eligible purchasers*

- 5.1.1 The Bonds are not offered to and may not be subscribed by investors located in the United States except for "Qualified Institutional Buyers" (QIBs) within the meaning of Rule 144A under the US Securities Act. In addition to the subscription agreement



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each initial purchaser will be required to execute, each US investor that wishes to purchase Bonds, will be required to execute and deliver to the Issuer a certification in a form determined by the Issuer, stating, among other things, that the purchaser is a QIB.

- 5.1.2 The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.
- 5.2 *Transfer restrictions*
- 5.2.1 Subject to the restrictions set forth in this Clause 5.2 and any other restrictions that may be imposed on Bondholders by local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business), the Bonds are freely transferable and may be pledged.
- 5.2.2 Bondholders located in the United States are not permitted to transfer the Bond except (a) subject to an effective registration statement under the US Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the US Securities Act, and (d) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 there under (if available).
- 5.2.3 The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.

## 6 Conditions Precedent

- 6.1 Disbursement of the net proceeds of the Bonds to the Issuer will be subject to the Bond Trustee having received the following documents, in form and substance satisfactory to it, at least two Business Days prior to the Issue Date:
- (a) this Bond Agreement duly executed by all parties thereto;
  - (b) certified copies of all necessary corporate resolutions to issue the Bonds and execute the Finance Documents;
  - (c) a power of attorney from the Issuer to relevant individuals for their execution of the relevant Finance Documents, or extracts from the relevant register or similar documentation evidencing the individuals authorized to sign on behalf of the Issuer;
  - (d) certified copies of (i) the Certificate of Incorporation or other similar official document for the Issuer, evidencing that it is validly existing and (ii) Articles of Association of the Issuer;
  - (e) the last Financial Statements and Quarterly Financial Report;



- (f) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (implementing the EU prospectus directive (2003/71 EC) concerning prospectuses have been fulfilled;
- (g) to the extent necessary, any public authorisations required for the Bond Issue;
- (h) confirmation from the Paying Agent that the Bonds have been registered in the Securities Register;
- (i) written confirmation in accordance with Clause 7.3 (if required);
- (j) the agreement set forth in Clause 14.2, duly executed;
- (k) copies of any written documentation made public by the Issuer or the Manager in connection with the Bond Issue;
- (l) any statements or legal opinions reasonably required by the Bond Trustee;

- 6.2 Subject to the conditions set out above the net proceeds of the Bond will be made available to the Issuer at the Issue Date.
- 6.3 The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for documentation as set forth in Clause 6.1.
- 6.4 The Bond Trustee may require any statement or legal opinion in connection with the Bond Issue.
- 6.5 Disbursement of the net proceeds from the Bonds is subject to the Bond Trustee's written notice to the Issuer, the Manager and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.
- 6.6 On the Issue Date, subject to receipt of confirmation from the Bond Trustee pursuant to Clause 6.6, the Manager shall make the net proceeds from the first tranche of the Bond Issue available to the Issuer
- 6.7 The Issuer may issue Tap Issues provided that (i) the amount of the aggregate of (x) the Outstanding Loan prior to such Tap Issue and (y) the requested amount for such Tap Issue shall not exceed the maximum issue amount (ii) no Event of Default occurs or would occur as a result of the making of such Tap Issue, (iii) the documents earlier received by the Loan Trustee, c.f. Clause 6.1, are still valid, (iv) the representations and warranties contained in this Loan Agreement being true and correct and repeated by the Borrower, and (v) that such Tap Issue is in compliance with laws and regulations as of the time of such issue.

## **7 Representations and Warranties**

- 7.1 The Issuer represents and warrants to the Bond Trustee (on behalf of the Bondholders) that:

*(a) Status*

The Issuer is a limited liability company, duly incorporated and validly existing under the law of the jurisdiction in which it is registered, and has the power to own its assets and carry on its business as it is being conducted.

*(b) Power and authority*

The Issuer has the power to enter into and perform, and has taken all necessary corporate action to authorise its entry into, performance and delivery of this Bond Agreement and any other Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

*(c) Valid, binding and enforceable obligations*

This Bond Agreement and any other Finance Document constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of such parties, enforceable in accordance with their 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 the Issuer and for any Security Interest created, or to be created, by any Security Documents to constitute a valid, perfected and enforceable Security Interest in accordance with the terms and conditions of such Security Document.

*(d) Non-conflict with other obligations*

The entry into and performance by the Issuer of the Bond Agreement 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 present law or regulation or present judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on the Issuer or any of its assets.

*(e) No Event of Default*

No Event of Default exists, and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition, or any combination of the foregoing) would constitute a default under any document which is binding on the Issuer or any of its assets, and which may have a Material Adverse Effect.

*(f) Authorizations and consents*

All authorisations, consents, licenses or approvals of any governmental authorities required for the Issuer in connection with the execution, performance, validity or enforceability of this Bond Agreement or any other Finance Document, and the transactions contemplated thereby, have been obtained and are valid and in full force and effect. All authorisations, consents, licenses or approvals of any governmental authorities required for the Issuer to carry on its business as presently conducted and as contemplated by this Bond Agreement, have been obtained and are in full force and effect.

*(g) Litigation*

No litigation, arbitration or administrative proceeding of or before any court, arbitral body or agency is pending or, to the best of the Issuer's knowledge, threatened



- which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.

*(h) Financial Statements*

The audited most recently Financial Statements and Quarterly Financial Reports of the Group 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 from one year to another.

*(i) No undisclosed liabilities*

As of the date of the Financial Statements, the Issuer had no material liabilities, direct or indirect, actual or contingent, and there were no material anticipated losses from any unfavourable commitments not disclosed by or reserved against in the Financial Statements or in the notes thereto.

*(j) No Material Adverse Effect*

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

*(k) No misleading information*

All documents and information which have been provided to the subscribers or the Bond Trustee in connection with this Bond Issue represent the latest available financial information concerning the Group, and there has been no change in the Group's financial position which could have a Material Adverse Effect.

*(l) Environmental compliance*

The Issuer and each Group Company is in compliance with any relevant applicable environmental law or regulation and no circumstances have occurred which would prevent such compliance in a manner which has or is likely to have a Material Adverse Effect.

*(m) Intellectual property*

The Group has undisputed, valid and good title to (a) its patents, trade marks, service marks, designs, business names, copyrights, design rights, inventions, confidential information and other intellectual property rights and interests (whether registered or unregistered), and (b) the benefit of all applications and rights to use such assets.

*(n) 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 (on behalf of the Bondholders) or the Bondholders under this Bond Agreement.

*(o) Pari passu ranking*

The Issuer's payment obligations under this Bond Agreement or any other Finance Document to which it is a party rank at least pari passu with the claims of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

*(p) Encumbrances*



No Encumbrances exist over any of the present assets of any Group Company in conflict with this Bond Agreement.

- 7.2 The representations and warranties set out in Clause 7.1 are made on the execution date of this Bond Agreement, and shall be deemed to be repeated on the Issue Date.
- 7.3 The Bond Trustee may prior to disbursement require a written statement from the Issuer confirming compliance with Clause 7.1.
- 7.4 In the event of misrepresentation, the Issuer shall indemnify the Bond Trustee for any economic losses suffered, both prior to the disbursement of the Bonds, and during the term of the Bonds, as a result of its reliance on the representations and warranties provided by such Issuer herein.


## 8 Status of the Bonds and security

- 8.1 The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least *pari passu* with all other unsecured senior debt of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.
- 8.2 The Bonds are unsecured.

## 9 Interest

- 9.1 The Issuer shall pay interest on the face value of the Bonds from, and including, the Issue Date at the Bond Reference Rate plus the Margin (together the “**Floating Rate**”).
- 9.2 Interest payments shall be made in arrears on the Interest Payment Dates each year, the first Interest Payment Date falls in July 2012.
- 9.3 The relevant interest payable amount shall be calculated based on a period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date.
- 9.4 The day count fraction in respect of the calculation of the payable interest amount shall be “Actual/360”, which means that the number of days in the calculation period in which payment being made divided by 360.
- 9.5 The applicable Floating Rate on the Bonds is set/reset on each Interest Payment Date by the Bond Trustee commencing on the Interest Payment Date at the beginning of the relevant calculation period.

When the interest rate is set for the first time and on subsequent interest rate resets, the next Interest Payment Date, the interest rate applicable up to the next Interest Payment Date and the actual number of calendar days up to that date shall immediately be notified to the Bondholders, the Issuer, the Paying Agent, and if the Bonds are listed, the Exchange.



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9.6 The payable interest amount per Bond for a relevant calculation period shall be calculated as follows:

$$\text{Interest Amount} = \text{Face Value} \times \text{Floating Rate} \times \text{Floating Rate Day Count Fraction}$$

## 10 Maturity of the Bonds and Redemption

### 10.1 Maturity

The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.

### 10.2 Change of Control/De-Listing

10.2.1 Upon the occurrence of a Change of Control Event or De-Listing Event (the "Event") each Bondholder shall have a right of pre-payment (a "Put Option") of its Bonds at a price of 101 % of par plus accrued interest.

10.2.2 The Put Option must be exercised within two months after the Issuer has given notification to the Bondholders of an Event. Such notification shall be given as soon as possible after the Event has taken place

10.2.2 The Put Option may be exercised by the Bondholders by giving written notice of the request to its Account Manager. The Account Manager shall notify the Paying Agent of the pre-payment request. The settlement date of the Put Option shall be fifteen – 15 – Business Days following the date when the Paying Agent received the repayment request.

10.2.4 On the settlement date of the Put Option, the Issuer shall pay to each of the Bondholders holding Bonds to be pre-paid, the principal amount of each such Bond (including any premium pursuant to Clause 10.2.1) and any unpaid interest accrued up to and including the settlement date

## 11 Payments

### 11.1 Payment mechanics

11.1.1 The Issuer shall pay all amounts due to the Bondholders under the Bonds and this Bond Agreements by crediting the bank account nominated by each Bondholder in connection with its securities account in the Securities Register.

11.1.2 Payment shall be considered to have been made once the amount has been credited to the bank which holds the bank account nominated by the Bondholder in question, but if the paying bank and the receiving bank are the same, payment shall be considered

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to have been made once the amount has been credited to the bank account nominated by the Bondholder in question, see however Clause 11.2.

*11.2 Currency*

- 11.2.1 If the Bonds are denominated in other currencies than NOK, each Bondholder has to provide the Paying Agent (either directly or through its Account Manager) with specific payment instructions, including foreign exchange bank account details. Depending on the currency exchange settlement agreements between the Bondholders' bank and the Paying Agent, cash settlement may be delayed, and payment shall be considered to have been made at that date.
- 11.2.2 Except as otherwise expressly provided, all amounts payable under this Bond Agreement and any other Finance Document shall be payable in the same currency as the Bonds are denominated in. If, however, the Bondholder has not given instruction as set out in Clause 11.2.1, within 5 Business Days prior to a Payment Date, the cash settlement will be exchanged into NOK and credited to the NOK bank account registered with the Bondholders account in the Securities Register last paragraph.
- 11.2.3 Amounts payable in respect of costs, expenses, taxes and other liabilities shall be payable in the currency in which they are incurred.

*11.3 Set-off and counterclaims*

- 11.3.1 The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to this Bond Agreement or any other Finance Document.

*11.4 Interest in the event of late payment*

- 11.4.1 In the event that payment of interest or principal is not made on the relevant Payment Date, the amount outstanding shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to Clause 9 plus 5.00 percentage points.
- 11.4.2 The interest charged under this Clause 11.4 shall be added to the defaulted amount on each respective Interest Payment Date relating thereto until the defaulted amount has been repaid in full.
- 11.4.3 The outstanding amounts shall bear interest as stated above until payment is made, whether or not the Bonds are declared to be in default pursuant to Clause 15.1 (a), cf. Clauses 15.2 - 15.4.

*11.5 Irregular payments*

- 11.5.1 In case of irregular payments, the Bond Trustee may instruct the Issuer or Bondholders of other payment mechanisms than described in Clause 11.1 or 11.2 above. The Bond Trustee may also obtain payment information regarding Bondholders' accounts from the Securities Register or Account Managers.



**12 Issuer's acquisition of Bonds**

12.1 The Issuer has the right to acquire and own Bonds (Issuer's Bonds). The Issuer's Bonds may at the Issuer's discretion be retained by the Issuer, sold or discharged.

**13 Covenants**

*13.1 General*

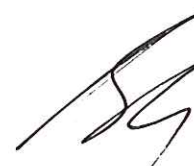
13.1.1 The Issuer has undertaken the covenants in this Clause 13 to the Bond Trustee (on behalf of the Bondholders), as further stated below.

13.1.2 The covenants in this Clause 13 shall remain in force from the date of this Bond Agreement and until such time that no amounts are outstanding under this Bond Agreement and any other Finance Document, unless the Bond Trustee (or the Bondholders Meeting, as the case may be), has agreed in writing to waive any covenant, and then only to the extent of such waiver, and on the terms and conditions set forth in such waiver.

*13.2 Information Covenants*

13.2.1 The Issuer shall

- (a) without being requested to do so, immediately inform the Bond Trustee of any Event of Default as well as of any circumstances which the Issuer understands or should understand may lead to as an Event of Default;
- (b) without being requested to do so, inform the Bond Trustee of any other event which may have a Material Adverse Effect;
- (c) without being requested to do so, inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (d) without being requested to do so, produce Financial Statements at least semi annually and make them available on its website in the English language (including any Quarterly Financial Reports) (alternatively by sending them to the Bond Trustee) as soon as they become available, and not later than 150 days after the end of the financial year and 60 days after the end of the second quarter (or, if quarterly reporting, the end of the relevant quarter);
- (e) at the request of the Bond Trustee, report the balance of the Issuer's Bonds;
- (f) without being requested to do so, send the Bond Trustee copies of any creditors' notifications of the Issuer, including but not limited to mergers, de-mergers and reduction of the Issuer's share capital or equity;



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- (g) without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange (if listed) which are of relevance for the Issuer's liabilities pursuant to this Bond Agreement;
- (h) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register; and
- (i) within a reasonable time, provide such information about the Issuer's financial condition as the Bond Trustee may reasonably request.

13.2.2 The Issuer shall at the request of the Bond Trustee provide the documents and information necessary to maintain the listing and quotation of the Bonds on the Exchange (if listed) and to otherwise enable the Bond Trustee to carry out its rights and duties pursuant to this Bond Agreement and the other Finance Documents, as well as applicable laws and regulations.

13.2.3 The Issuer shall in connection with the issue of its Financial Statements and Quarterly Financial Reports under Clause 13.2.1. (d), confirm to the Bond Trustee in writing the Issuer's compliance with the covenants in Clause 13. Such confirmation shall be undertaken in a compliance certificate, substantially in the format set out in Attachment 1 hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer. In the event of non-compliance, the compliance certificate shall describe the non-compliance, the reasons therefore as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.

### 13.3 *General Covenants*

#### (a) *Pari passu ranking*

The Issuer's obligations under this Agreement and any other Finance Document shall at all times rank at least pari passu with the claims of all its other unsubordinated creditors save for those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

#### (b) *Mergers*

The Issuer shall not, and shall ensure that no Subsidiary shall, carry out any merger or other business combination or corporate reorganization involving consolidating the assets and obligations of the Issuer with any other companies or entities not being member of the Group if such transaction would have a Material Adverse Effect. The Issuer shall notify the Bond Trustee of any such transaction, providing relevant details thereof, as well as, if applicable, its reasons for believing that the proposed transaction would not have a Material Adverse Effect.

#### (c) *De-mergers*

The Issuer shall not, and shall ensure that no Subsidiary shall, carry out any de-merger or other corporate reorganization involving splitting the Issuer into two or more separate companies or entities, if such transaction would have a Material Adverse Effect. The Issuer shall notify the Bond Trustee of any such transaction, providing relevant details thereof, as well as, if applicable, its reasons for believing that the proposed transaction would not have a Material Adverse Effect.



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*(d) Continuation of business*

- (i) The Issuer shall not cease to carry out its business.
- (ii) The Issuer shall procure that no material change is made to the general nature or scope of the business of the Group from that carried on at the date of the Bond Agreement, or as contemplated by the Bond Agreement.

*(e) Disposal of business*

The Issuer shall not, and shall ensure that no Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless the transaction is carried out at a fair market value, on terms and conditions customary for such transaction and such transaction would not have a Material Adverse Effect.

13.4 *Corporate and operational matters*

*(a) Intra-group transactions*

All transactions between any companies in the Group shall be on commercial terms, and shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-9 of the Private or Public Limited Companies Act 1997.

*(b) Transactions with shareholders, directors and affiliated companies*

The Issuer shall cause all transactions between any Group Company and (i) any shareholder thereof not part of the Group, (ii) any director or senior member of management in any Group Company, (iii) any company in which any Group Company holds more than 10 per cent of the shares, or (iv) or any company, person or entity controlled by or affiliated with any of the foregoing, to be entered on commercial terms, not less favourable to the Group Company than would have prevailed in arms' length transaction with a third party.

All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-8 of the Private and Public Limited Companies Act 1997.

*(c) Ownership to Material Subsidiaries*

The Issuer shall not sell, transfer, assign or otherwise dilute or dispose of any shares or any other ownership interest in any of the Material Subsidiaries, and shall cause each Material Subsidiary not to issue or sell any new shares, treasury shares or other ownership interest, to any third party.

*(d) Subsidiaries' distributions*

The Issuer shall not permit any Subsidiary to create or permit to exist any contractual obligation (or Encumbrance) restricting the right of any Subsidiary to (i) pay dividends or make other distributions to its shareholders, (ii) pay any Financial Indebtedness to the Issuer, make any loans to the Issuer or (iii) transfer any of its assets and properties to the Issuer, except if provided in this Bond Agreement.

*(e) Corporate status*

The Issuer shall not, and shall ensure that no Material Subsidiary, change its type of organization or jurisdiction of organization.



*(f) Compliance with laws*

The Issuer shall (and shall ensure that all Group Companies shall) carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time (including any environmental laws and regulations).

*(g) Litigations*

The Issuer shall, promptly upon becoming aware of them, send the Bond Trustee such relevant details of any:

- (a) material litigations, arbitrations or administrative proceedings which have been or might be started by or against any Group Company; and
- (b) other events which have occurred or might occur and which may have a Material Adverse Effect, as the Bond Trustee may reasonably request.

**13.5 Financial Covenants**

*(a) Dividends and other distributions*

During the term of the Bonds the Issuer shall not, within a calendar year make any dividend payment, repurchase of shares or make other distributions or loans to its shareholders (including any transaction with a similar effect) that constitutes more than, on a consolidated basis, 35 per cent of the net profit after taxes of the Group based on the audited accounts for the previous accounting year (any un-utilized portion of the permitted dividend pursuant to the above may not be carried forward), save that the Issuer may repurchase shares in connection with any option or similar incentive program of the Issuer in force at any time made for the benefit of its employees and/or management and/or directors of the Issuer.

*(b) Book Equity to Capital Employed*

The Issuer shall ensure that the Group, on a consolidated basis, maintains a Book Equity which constitutes more than 30 per cent of Capital Employed.

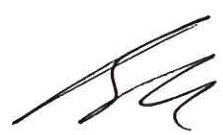
*(c) Liquidity*

The Issuer shall ensure that the Group, on a consolidated basis, maintains minimum Liquidity of NOK 100 million.

The Issuer undertakes to ensure that the Group complies with the above Financial Covenants at all times, such compliance to be certified by the Issuer with each annual financial statement and quarterly financial statement. All Financial Covenants shall be calculated on a consolidated basis for the Group during the term of the Bonds.

**14 Fees and expenses**

- 14.1 The Issuer shall cover all its own expenses in connection with this Bond Agreement and fulfilment of its obligations under this Bond Agreement, including preparation of this Bond Agreement, preparation of the Finance Documents and any registration or notifications relating thereto, listing of the Bonds on the Exchange (if applicable), and the registration and administration of the Bonds in the Securities Register.



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- 14.2 The expenses and fees payable to the Bond Trustee (and/or the Security Agent, as the case may be) shall be paid by the Issuer and are set forth in a separate agreement between the Issuer and the Bond Trustee. Fees and expenses payable to the Bond Trustee which, due to the Issuer's insolvency or similar, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the Bondholders.
- 14.3 The Issuer shall cover all public fees in connection with the Bonds and the Finance Documents. Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation, and the Issuer is not responsible for reimbursing any such fees.
- 14.4 In addition to the fee due to the Bond Trustee pursuant to Clause 14.2 and normal expenses pursuant to Clauses 14.1 and 14.3, the Issuer shall, on demand, cover extraordinary expenses incurred by the Bond Trustee in connection with the Bonds, as determined in a separate agreement between the Issuer and the Bond Trustee.
- 14.5 The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to the Bondholders.

## 15 Events of Default

- 15.1 The Bonds may be declared by the Bond Trustee to be in default upon occurrence of any of the following events (which shall be referred to as an "Event of Default") if:

*(a) Non-payment*

The Issuer fails to fulfil any payment obligation due under this Bond Agreement or any Finance Document when due, unless, in the opinion of the Bond Trustee, it is obvious that such failure will be remedied, and payment in full is made, within 5 – five – Business Days following the original due date.


*(b) Breach of other obligations*

The Issuer or any Material Subsidiary fails to duly perform any other covenant or obligation pursuant to this Bond Agreement or any of the Finance Documents, unless, in the opinion of the Bond Trustee, it is obvious that such failure will be remedied and is remedied within 10 – ten – Business Days after notice thereof is given to the Issuer by the Bond Trustee.

*(c) Cross default*

The Issuer or any Material Subsidiary, the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) below exceeds a total of NOK 50 million, or the equivalent thereof in other currencies;

- (i) any Financial Indebtedness or guarantee is not paid when due nor within any originally applicable grace period,
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described),



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- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described).

*(d) Misrepresentations*

Any representation, warranty or statement (including statements in compliance certificates) made under this Bond Agreement or in connection therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made.

*(e) Insolvency*

If for the Issuer or any Material Subsidiary

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation,
- (ii) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Issuer's ability to perform its payment obligations hereunder,
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (iv) enforcement of any security over any of its assets,

*(f) Creditors' process*

The Issuer or any Material Subsidiary has a substantial proportion of the assets impounded, confiscated, attached or subject to distraint, or is subject to enforcement of any security over any of its assets.

*(g) Dissolution, appointment of liquidator or analogous proceedings*

The Issuer or any Material Subsidiary is resolved to be dissolved or a liquidator, administrator or the like is appointed or requested to be appointed in respect of the Obligor or any Material Subsidiary.

*(h) Impossibility or illegality*

It is or becomes impossible or unlawful for any Group Company to fulfil or perform any of the terms of the Finance Documents to which it is a party.

*(i) Litigation*

There is current, pending or threatened any claims, litigation, arbitration or administrative proceedings against any Group Company which might, if adversely determined, in the reasonable opinion of the Bond Trustee, after consultations with the Issuer, is likely to may have a Material Adverse Effect.

*(j) Material adverse effect*

Any other event or series of events occurs in relation to any Group Company or any Obligor which, in the reasonable opinion of the Bond Trustee, after consultations with the Issuer, is likely to have a Material Adverse Effect.

*(k) Repudiation*

The Issuer or a Material Subsidiary repudiates this Bond Agreement or another Finance Document, or evidences an intention to repudiate this Bond Agreement or another Finance Document.

- 15.2 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare the Outstanding Bonds including accrued interest and expenses to be in default and due for immediate payment.

The Bond Trustee may at its discretion, on behalf of the Bondholders, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under the Bond Agreement and any other Finance Document.

- 15.3 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Bond Trustee shall declare the Outstanding Bonds including accrued interest and costs to be in default and due for payment if:

- (a) the Bond Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Voting Bonds, and the Bondholders' Meeting has not decided on other solutions, or
- (b) the Bondholders' Meeting has decided to declare the Outstanding Bonds in default and due for payment.

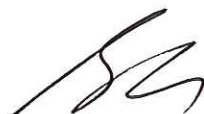
In either case the Bond Trustee shall on behalf of the Bondholders take every measure necessary to recover the amounts due under the Outstanding Bonds. The Bond Trustee can request satisfactory security for any possible liability and anticipated expenses, from those Bondholders who requested that the declaration of default be made pursuant to sub clause (a) above and/or those who voted in favour of the decision pursuant to sub clause (b) above.

- 15.4 In the event that the Bond Trustee pursuant to the terms of Clauses 15.2 or 15.3 declares the Outstanding Bonds to be in default and due for payment, the Bond Trustee shall immediately deliver to the Issuer a notice demanding payment of interest and principal due to the Bondholders under the Outstanding Bonds including accrued interest and interest on overdue amounts and expenses.

**16 Bondholders' meeting**

*16.1 Authority of the Bondholders' meeting*

- 16.1.1 The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds. If a resolution by or an approval of



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the Bondholders is required, resolution of such shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon and prevail for all the Bonds.

16.2 *Procedural rules for Bondholders' meetings*

16.2.1 A Bondholders' Meeting shall be held at the request of:

- (a) the Issuer,
- (b) Bondholders representing at least 1/10 of the Voting Bonds,
- (c) the Exchange, if the Bonds are listed, or
- (d) the Bond Trustee.

16.2.2 The Bondholders' Meeting shall be summoned by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed.

16.2.3 If the Bond Trustee has not summoned a Bondholders' Meeting within 10 – ten – Business Days after having received such a request, then the requesting party may summons the Bondholders' Meeting itself.

16.2.4 Summons to a Bondholders Meeting shall be dispatched no later than 10 – ten – Business Days prior to the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the Securities Register at the time of distribution. The summons shall also be sent to the Exchange for publication.

16.2.5 The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set forth other matters on the agenda than those requested. If amendments to this Bond Agreement have been proposed, the main content of the proposal shall be stated in the summons.

16.2.6 The Bond Trustee may restrict the Issuer to make any changes of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting, by serving notice to it to such effect.

16.2.7 Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.

16.2.8 The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.

16.2.9 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The

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minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.

- 16.2.10 The Bondholders, the Bond Trustee and – provided the Bonds are listed - representatives of the Exchange, have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the Bond Trustee shall decide who may attend the Bondholders' Meeting.
- 16.2.11 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present under the voting.
- 16.3 *Resolutions passed at Bondholders' meetings*
- 16.3.1 At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Bonds shall count as the Issuer's Bonds. The Issuer's Bonds shall not have any voting rights.
- 16.3.2 In all matters, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.
- 16.3.3 In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 16.4. Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.
- 16.3.4 Resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set forth in Clause 16.3.5.
- 16.3.5 In the following matters, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required:
- (a) amendment of the terms of this Bond Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions affecting the cash flow of the Bonds;
  - (b) transfer of rights and obligations of this Bond Agreement to another issuer (Issuer), or
  - (c) change of Bond Trustee.
- 16.3.6 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

- 16.3.7 The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.
- 16.3.8 The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.
- 16.4 *Repeated Bondholders' meeting*
- 16.4.1. If the Bondholders' Meeting does not form a quorum pursuant to Clause 16.3.3, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- 16.4.2 When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting Bonds are represented.

## 17 The Bond Trustee

### 17.1 *The role and authority of the Bond Trustee*

- 17.1.1 The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this Bond Agreement and applicable laws and regulations which are relevant to the terms of this Bond Agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in this Bond Agreement.
- 17.1.2 The Bond Trustee may take any step necessary to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement. The Bond Trustee may postpone taking action until such matter has been put forward to the Bondholders' Meeting.
- 17.1.3 Except as provided for in Clause 17.1.5 the Bond Trustee may reach decisions binding for all Bondholders concerning this Bond Agreement, including amendments to the Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not have a Material Adverse Effect on the rights or interests of the Bondholders pursuant to this Bond Agreement.
- 17.1.4 Except as provided for in Clause 17.1.5, the Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in Clause 17.1.3 provided prior notification has been made to the Bondholders. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision

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binding for all Bondholders in the event that any Bondholder submit a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five (5) Business Days following the dispatch of such notification.

- 17.1.5 The Bond Trustee may not reach decisions pursuant to Clauses 17.1.3 or 17.1.4 for matters set forth in Clause 16.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.
- 17.1.6 The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 17.1.7 The Issuer, the Bondholders and the Exchange shall be notified of decisions made by the Bond Trustee pursuant to Clause 17.1 unless such notice obviously is unnecessary.
- 17.1.8 The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 16.3.5.

#### 17.2 *Liability and indemnity*

- 17.2.1 The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set forth in this Bond Agreement. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.
- 17.2.2 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, agents and representatives) to fulfil its obligations under the terms of this Bond Agreement and any other 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 establishment and performance of this Bond Agreement and the other Finance Documents.

#### 17.3 *Change of Bond Trustee*

- 17.3.1 Change of Bond Trustee shall be carried out pursuant to the procedures set forth in Clause 16. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.
- 17.3.2 The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 14, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach of the Bond Trustee duties pursuant to the terms of this Bond Agreement or other circumstances for which the Bond Trustee is liable.
- 17.3.3 The Bond Trustee undertakes to co-operate so that the new bond trustee receives without undue delay following the Bondholders' Meeting the documentation and

information necessary to perform the functions as set forth under the terms of this Bond Agreement.

*17.4 Appointment of Security Agent*

- 17.4.1 The Bond Trustee may act as Security Agent or may appoint a bank or other institution to act as Security Agent for the Bond Issue.

The main functions of the Security Agent may include holding Security Interests on behalf of the Bondholders and monitoring compliance by the Issuer and other relevant parties of their respective obligations under this Bond Agreement and/or the Security Documents with respect to the Security Interests.

Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.

- 17.4.2 The functions, rights and obligations of the Security Agent may be determined by a Securities Agent agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require any Obligor and any other parties to any Security Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge.

Any changes to this Bond Agreement necessary or appropriate in connection with the appointment of a Security Agent shall be documented in an amendment to this Bond Agreement, signed by the Bond Trustee.

- 17.4.3 If so desired by the Bond Trustee and the Security Agent, any or all of the Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security Interest (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

**18 Miscellaneous**

*18.1 The community of Bondholders*

- 18.1 By virtue of holding Bonds, which are governed by this Bond Agreement (which pursuant to Clause 2.1.1 is binding upon all Bondholders), a community exists between the Bondholders, implying, inter alia, that
- (a) the Bondholders are bound by the terms of this Bond Agreement,
  - (b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
  - (c) the Bond Trustee has, in order to administrate the terms of this Bond Agreement, access to the Securities Register to review ownership of Bonds registered in the Securities Register,
  - (d) this Bond Agreement establishes a community between Bondholders meaning that;

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- (i) the Bonds rank pari passu between each other,
- (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer, however not restricting the Bondholders to exercise their individual rights derived from the Bond Agreement.
- (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders,
- (iv) the Bondholders may not cancel the Bondholders' community, and that
- (v) the individual Bondholder may not resign from the Bondholders' community.

## 18.2 *Defeasance*

18.2.1 The Issuer may, at its option and at any time, elect to have certain obligations discharged (see Clause 18.2.2) upon complying with the following conditions ("**Covenant Defeasance**");

- (a) the Issuer shall have irrevocably pledged to the Bond Trustee for the benefit of the Bondholders cash or government obligations accepted by the Bond Trustee (the "**Defeasance Pledge**") in such amounts as will be sufficient for the payment of principal (including if applicable premium payable upon exercise of a Call Option) and interest on the Outstanding Bonds to Maturity Date (or redemption upon a exercise of a notified Call Option);
- (b) the Issuer shall, if required by the Bond Trustee, provide a legal opinion reasonable acceptable to the Bond Trustee to the effect that the Bondholders will not recognize income, gain or loss for income tax purposes (hereunder US federal or Norwegian, if applicable) as a result of the Defeasance Pledge and Covenant Defeasance, and will be subject to such income tax on the same amount and in the same manner and at the same times as would have been the case if the Defeasance Pledge had not occurred;
- (c) no Event of Default shall have occurred and be continuing on the date of establishment of the Defeasance Pledge, or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 181<sup>st</sup> day after the date of establishment of the pledge;
- (d) neither the Defeasance Pledge nor the Covenant Defeasance results in a breach or violation of any material agreement or instrument binding upon any Obligor, or the articles of association or other corporate documents governing any Obligor;
- (e) the Issuer shall have delivered to the Bond Trustee a certificate signed by its Chief Executive Officer that the Defeasance Pledge was not made by the Issuer with the intent of preferring the Bondholders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;
- (f) the Issuer shall have delivered to the Bond Trustee any certificate or legal opinion reasonably required regarding the Covenant Defeasance or Defeasance



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Pledge (including certificate from its Chief Executive Officer and a legal opinion from its legal counsel to the effect that all conditions for Covenant Defeasance have been complied with; and that the Defeasance Pledge (i) will not be subject to any rights of creditors of any Obligor, (ii) will constitute a valid, perfected and enforceable security interest in favour of the Bond Trustee for the benefit of the Bondholders, and (iii) will, after the 181<sup>st</sup> day following the establishment, the funds and assets so pledged will not be subject to the effects of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors rights generally under the laws of the jurisdiction where the Defeasance Pledge was established and the corporate domicile of the Issuer.

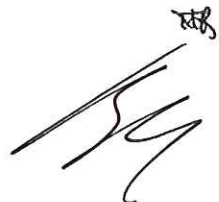
18.2.2 Upon the exercise by the Issuer of its option under Clause 18.2.1;

- (a) all Obligors shall be released from their obligations under all provisions in Clause 13, except 13.2.1 (a), (e), (h) and (i).
- (b) the Issuer shall not (and shall ensure that all Group Companies shall not) take any actions that may cause the value of the Security Interest created by this Covenant Defeasance to be reduced, and shall at the request of the Bond Trustee execute, or cause to be executed, such further documentation and perform such other acts as the Bond Trustee may reasonably require in order for the Security Interests to remain valid, enforceable and perfected by the Bond Trustee for the account of the Bondholders;
- (c) any Guarantor(s) shall be discharged from their obligations under the Guarantee(s), and the Guarantee(s) shall cease to have any legal effect;
- (d) any Security Interests other than the Defeasance Pledge shall be discharged, and the Bond Trustee shall take all steps reasonably possible for it to cause such discharge to be effected, by way of deletion of the relevant Security Document from the relevant register, notice to third parties or as otherwise required;
- (e) all other provisions of the Bond Agreement (except (a) – (c) above) shall remain fully in force without any modifications.

18.2.3 All moneys amount covered by the Defeasance Pledge shall be applied by the Bond Trustee, in accordance with the provisions of this Bond Agreement, to the payment to the Bondholders of all sums due to them under this Bond Agreement on the due date thereof.

Any excess funds not required for the payment of principal, premium and interest to the Bondholders (including any expenses, fees etc. due to the Bond Trustee hereunder) shall be returned to the Issuer.

18.3 *Limitation of claims*



18.3.1 All claims under the Bonds and this Bond Agreement for payment, including interest and principal, shall be subject to the time-bar provisions of the Norwegian Limitation Act of May 18, 1979 No. 18.

*18.4 Access to information*

18.4.1 The Bond Agreement is available to anyone and copies may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that the Bond Agreement is available in copy form to the general public until all the Bonds have been fully discharged.

18.4.2 The Bond Trustee shall, in order to carry out its functions and obligations under the Bond Agreement, have access to the Securities Register for the purposes of reviewing ownership of the Bonds registered in the Securities Register.

*18.5 Amendments*

18.5.1 All amendments of this Bond Agreement shall be made in writing, and shall unless otherwise provided for by this Bond Agreement, only be made with the approval of all parties hereto.

*18.6 Notices, contact information*

18.6.1 Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Register with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site [www.stamdata.no](http://www.stamdata.no).

18.6.2 The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Register with a copy to the Bond Trustee and the Exchange.

18.6.3 Unless otherwise specifically provided, all notices or other communications under or in connection with this Bond Agreement between the Bond Trustee and any Obligor shall be given or made in writing, by letter, or telefax. Any such notice or communication addressed shall be deemed to be given or made as follows:

- (a) if by letter, when delivered at the address of the relevant Party;
- (b) if by telefax, when received.

However, a notice given in accordance with the above but received on a day which is not a business day in the place of receipt, or after 3:00 p.m. on such a business day, shall only be deemed to be given at 9:00 a.m. on the next business day in that place.

18.6.4 The Issuer and the Bond Trustee shall ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons

*18.7 Dispute resolution and legal venue*

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18.7 This Bond Agreement and all disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and any Obligor, shall be governed by Norwegian law.

All disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and any Obligor, shall be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.


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This Bond Agreement has been executed in two originals, of which the Issuer and the Bond Trustee retain one each.

Issuer

  
By: \_\_\_\_\_  
Position: BJØRN KJOS  
CEO

Bond Trustee

  
By: CARIANNE E. SKULAND  
Position: \_\_\_\_\_

**Attachment 1**

**COMPLIANCE CERTIFICATE**

Norsk Tillitsmann ASA  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10  
E-mail: mail@trustee.no

[date]

Dear Sirs,

**Norwegian Air Shuttle ASA BOND AGREEMENT 2012/2015 - ISIN 001 064220.0**

We refer to the Bond Agreement for the above mentioned Bond Issue made between Norsk Tillitsmann ASA as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Compliance Certificate shall be issued. This letter constitutes the Compliance Certificate for the period [PERIOD].

Capitalised words and expressions are used herein as defined in the Bond Agreement.

With reference to Clause 13.2.3 we hereby certify that:

1. all information contained herein is true and accurate and there has been no change which would have a material adverse effect on the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you.
2. the covenants set out in Clause 13 are satisfied;
3. in accordance with Clause 13.5 (b), the Book Equity to Capital Employed is [·] per cent;
4. in accordance with Clause 13.5. (c) the Liquidity is NOK [·] million.

Copies of our latest consolidated [annual audited/quarterly unaudited] accounts are enclosed.

Yours faithfully,

Norwegian Air Shuttle ASA

*Name of authorized person*

Enclosure: [copy of any written documentation]