



# OCEAN YIELD

## Prospectus

### Securities Note

for

**ISIN: NO 001 0823214 FRN Ocean Yield ASA  
Senior Unsecured Callable Bond Issue 2018/2023**

Oslo, 10 September 2018

Global Coordinator and Joint Lead Manager:



**DNB Markets**

Joint Lead Managers:



Danske Bank, Norwegian Branch



Fearnley Securities AS

**Nordea**

Nordea Bank AB (publ), filial i Norge



Skandinaviska Enskilda Banken AB (publ)

### **Important information\***

The Securities Note has been prepared in connection with listing of the securities on the Oslo Børs. The Norwegian FSA ("Finanstilsynet") has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. Finanstilsynet has not controlled or approved the accuracy or completeness of the information included in this Securities Note. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Securities Note. Finanstilsynet has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

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 listing of the Loan. 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, the Global Coordinator and the Joint Lead Managers 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. Approval of the Securities Note by the Norwegian FSA implies that the 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 Joint Lead Managers 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 Securities Note included the Summary dated 10 September 2018 together with the Registration Document dated 10 September 2018 constitutes the Prospectus.

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, the Global Coordinator or the Joint Lead Managers to receive copies of the Securities Note.

### **Factors which are material for the purpose of assessing the market risks associated with Bond:**

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

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

\*The capitalised words in the section "Important Information" are defined in Chapter 4: "Detailed information about the securities".

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# 1 Summary

The following introduction is required in the summary to give more guidance to readers of a summary:

'Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Where information is not included in the body of a prospectus in relation to a particular Element, a reference to 'not applicable' should appear followed by a short description of the disclosure requirement. 'Not applicable' should not be abbreviated to 'N/A'.

## Section A Introduction and warning

Element	Disclosure requirement	Disclosure
A.1	Warning.	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent	N/A. There is no consent

## Section B Issuer and any guarantor

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name of the issuer.	The legal name is Ocean Yield ASA, the commercial name is Ocean Yield.
B.2	Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.	The Company is a public limited liability company primarily organized under the laws of Norway, including the Public Limited Companies Act. The Company is registered in the Norwegian Companies Registry.
B.4b	Description of any known trends affecting the issuer and the industries in which it operates.	The Company has continued to expand and diversify its fleet of vessels on long-term charter, evidenced by the commitment to invest in another 15 vessels during the first 6 months of 2018. In the coming 12 months, the Company will take delivery of another eleven vessels on long term charter, which will further contribute to increased earnings and dividend capacity. In addition, the Company will continue to focus on further growth through investments in new projects.  Key focus for the next quarter will be to secure a positive outcome for the FPSO Dhirubhai-1, which contract expires in September 2018. The Company intends to continue its policy of paying attractive, quarterly dividends to its shareholders, with priority on stability in the dividend payments.
B.5	If the issuer is part of a group, a description of the group and the issuer's position within the group.	Ocean Yield ASA is a holding company with financial investments and the parent company in the Ocean Yield Group. Single purpose companies have been established for the ownership of the Group's vessels.
B.9	Where a profit forecast or estimate is made, state	Not applicable. There is no pro profit forecast or estimate

	the figure.	made.						
B.10	Description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable. There are no qualifications in the audit reports..						
B.12	Selected historical key financial information regarding the issuer, a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change and a description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.	Since the date of the last published audited financial statements, there has been no significant change in the financial or trading position and there is no material adverse change.						
<b>Consolidated key numbers</b> <b>Ocean Yield ASA (consolidated) – annual accounts (audited)</b>								
<b>Balance Sheet (USD million)</b>								
	<b>31.12.2017</b>	<b>31.12.2016</b>						
Total non current assets	2 290.8	2 387.5						
Total current assets	152.2	187.2						
Total assets	2 443.1	2 574.7						
Total equity	831.5	815.2						
Total non current liabilities	1 474.2	1 472.7						
Total current liabilities	137.3	286.8						
Total equity & liabilities	2 443.1	2 574.7						
<b>Income statement (USD million)</b>								
	<b>31.12.2017</b>	<b>31.12.2016</b>						
Total revenues and other income	339.1	294.4						
EBITDA	306.5	265.2						
Operating profit (EBIT)	203.8	129.2						
Net profit before tax	149.7	94.0						
Basic earnings per share (USD)	0.86	0.55						
<b>Cash flow statement (USD million)</b>								
	<b>31.12.2017</b>	<b>31.12.2016</b>						
Net Cash flow from operating activities	170.3	194.6						
Net Cash flow from investing activities	-59.3	-539.4						
Net Cash flow from financing activities	-178.1	392.7						
Net Cash and cash equivalents at end of period	98.7	165.5						
<b>Ocean Yield ASA (consolidated) – interims account (unaudited)</b>								
<b>Balance Sheet (USD million)</b>								
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>30.06.2018</b>	<b>30.06.2017</b>				
Total non current assets	2 373.4	2 225.5	2 321.6	2 369.7				
Total current assets	165.9	119.4	302.6	153.8				
Total assets	2 539.3	2 344.9	2 623.9	2 523.5				
Total equity	939.6	824.8	946.3	823.8				
Total non current liabilities	1 367.3	1 355.3	1 475.8	1 546.7				
Total current liabilities	232.4	164.8	201.8	153.1				
Total equity & liabilities	2 539.3	2 344.9	2 623.9	2 523.5				
<b>Income statement (USD million)</b>			<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>1<sup>st</sup> Half 2018</b>	<b>1<sup>st</sup> Half 2017</b>
Total revenues and other income	89.2	78.6	95.1	82.2	184.3	160.8		
EBITDA	77.8	71.2	84.3	74.3	162.1	145.5		
Operating profit (EBIT)	51.1	46.8	57.6	49.5	108.7	96.3		
Net financial items	(15.3)	(6.2)	(20.7)	(15.2)	(36.1)	(21.4)		
Net profit before tax	35.7	40.5	36.9	34.4	72.6	74.9		
Earnings per share (USD)	0.22	0.25	0.22	0.20	0.44	0.45		

	Cash flow statement (USD million)	Q1 2018	Q1 2017	Q2 2018	Q2 2017	1 <sup>st</sup> Half 2018	1 <sup>st</sup> Half 2017
	Net Cash flow from operating activities	73.0	56.9	58.7	47.2	131.7	104.1
	Net Cash flow from investing activities	(96.6)	94.7	20.5	(172.1)	(76.1)	(77.4)
	Net Cash flow from financing activities	49.3	(221.1)	64.7	155.5	114.0	(65.6)
	Net Cash and cash equivalents at end of period	124.4	96.1	266.0	126.8	266.0	126.8
B.13	Description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	As per 30th June 2018, and as described in the second quarter 2018 Report, the Company had committed to a total of USD 546.5 million of future investments. This includes four 2014 built 3,800 TEU container vessels with 12-year bareboat charters to companies owned and guaranteed by CMB NV., three Suezmax tankers with long term charter to Nordic American Tankers Ltd. and four VLCC crude tankers under construction with long-term charters to companies owned and guaranteed by Okeanis Eco Tankers Corp.  On 5th July 2018, Ocean Yield took delivery of the four 3,800 TEU containerships with 12 year bareboat charters to companies owned and guaranteed by CMB NV.  On 10th July 2018, the first out of three Suezmax vessels on long-term charter to Nordic American Tankers Ltd. was successfully delivered from the yard. In connection with delivery, a loan facility of USD 39 million was drawn for the long-term financing of the vessel.  On 6th July 2018, the remaining outstanding amount of NOK 661.0 million under the unsecured bond issue OCY02 with maturity in March 2019, was fully repaid.					
B.14	If the issuer is dependent upon other entities within the group, this must be clearly stated.	As a parent company, the Issuer is dependent upon all of its subsidiaries. All of the Company's investments are held in subsidiaries. As such there are no direct operating revenues in the Company. Ocean Yield is hence dependent on its subsidiaries for dividends or other contributions in servicing interest under the loan agreement.					

B.15	A description of the issuer's principal activities.	<p>Ocean Yield ("Ocean Yield" or the "Company") is a ship owning company with investments in vessels on long-term charters to a diversified portfolio of customers. The company was established in 2012 with a portfolio of oil-service assets previously controlled by Aker ASA. Since then, the Company has committed significant funds to new investments within shipping and oil-service and built up a broad and diversified portfolio of assets, all with long-term charters. Ocean Yield is listed on the Oslo Stock Exchange and has a broad share-holder base, with Aker Capital AS, a subsidiary of Aker ASA as the majority shareholder.</p> <p>The Company currently has investments in many shipping segments, including car carriers, chemical tankers, product tankers, container vessels, crude tankers, dry bulk, oil-service and liquefied ethylene gas carriers.</p> <p>The Company's business strategy is to enter into long-term fixed rate charters which gives visibility with respect to future earnings and dividend capacity for the shareholders. The Company has mainly focused on bareboat charters with duration from ten to fifteen years, but may also do time-charter contracts. The Company intend continue to grow and diversify its portfolio of vessels on long-term charters with the aim to continue to pay attractive quarterly dividends to its shareholders.</p> <p><b>BUSINESS SEGMENTS</b>                      Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield's operating segments as of first half year 2018, are as follows:</p> <ul style="list-style-type: none"> <li>• FPSO</li> <li>• Other Oil Service</li> <li>• Car Carriers</li> <li>• Container Vessels</li> <li>• Tankers</li> <li>• Other Shipping</li> <li>• Other</li> </ul>
B.16	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control	<p>Kjell Inge Røkke controls 68.2% of the shares in Aker ASA, which owns 100% of the shares in Aker Capital AS, through his ownership of the TRG companies. In addition he holds 280,000 shares directly in Ocean Yield.</p> <p>Aker ASA owns 100% of Aker Capital AS, which is the largest shareholder of Ocean Yield ASA, with 61.7 % ownership.</p>
B.17	Credit ratings assigned to the Issuer or its debt securities.	There are no official credit ratings assigned to the Issuer or its debt securities.

#### Section C Securities

Element	Disclosure requirements	Disclosure
C.1	Description of the securities, including ISIN code.	ISIN code NO0010823214. Senior unsecured callable bond issue. Issue date 25 May 2018, Maturity Date 25 May 2023. Floating interest rate, payable quarterly each year. The bonds mature in full at par on the Maturity Date. Issuer has a call option and Bondholders have put option.
C.2	Currency of the securities issue.	NOK
C.5	Any restrictions on the free transferability of the securities.	Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under 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). Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense
C.8	Description of the rights attached to the securities, limitations to those rights and ranking of the securities.	Upon the occurrence of a Change of Control Event, each Bondholder shall have a right of pre-payment of its Bonds at a price of 101% of par value (plus accrued interest of par value

		<p>on the relevant Bonds).</p> <p>The Issuer may redeem the Bond Issue in whole or in part (the "Call Option") as follows:</p> <ul style="list-style-type: none"> <li>a) at any time from and including the Interest Payment Date in May 2020 to, but not including, the Interest Payment Date in May 2021 at a price equal to 103.60% of par value (plus accrued interests on the redeemed amount);</li> <li>b) at any time from and including the Interest Payment Date in May 2021 to, but not including, the Interest Payment Date in May 2022 at a price equal to 102.60% of par value (plus accrued interests on the redeemed amount);</li> <li>c) at any time from and including the Interest Payment Date in May 2022 to, but not including, the Interest Payment Date in November 2022 at a price equal to 101.70% of par value (plus accrued interests on the redeemed amount); and</li> <li>d) any time from and including the Interest Payment Date in November 2022 to, but not including, the Final Maturity Date at a price equal to 100.00% of par value (plus accrued interests on redeemed amount).</li> </ul> <p>Denomination NOK 500,000 - each and ranking pari passu among themselves.</p> <p>At the Bondholders' meeting each Bondholder has one vote for each bond he owns.</p>
C.9	Information about interest and representative of debt security holders.	<p>Coupon Rate is Reference Rate + Margin Reference Rate + Margin, equal to 4.68 % p.a. for the interest period ending on 26 November 2018. Where Reference Rate means 3 month NIBOR and Margin is + 3.65 percentage points per annum. Interest is payable each 25 February, 25 May, 25 August and 25 November in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. The first Interest Payment Date was 27 August 2018.</p> <p>The Bonds shall mature in full on the Maturity Date (25 May 2023), and shall be repaid at par (100%) by the Issuer.</p> <p>Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 101 % of par plus accrued interest.</p> <p>Dependent on the market price. Yield for the Interest Period (27 August 2018 – 26 November 2018) is 4.763 % p.a. assuming a price of 100 %.</p> <p>Nordic Trustee AS (as the Bond Trustee) enters into the Bond 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>
C.10	If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation of how the value of the securities is affected by the value of the underlying instrument(s).	N/A. There is no derivative component in the interest payment.



C.11	Indication as to whether the securities offered are or will be the object of an application for admission to trading.	An application for admission to trading on the Oslo Børs will be made once the Prospectus has been approved.
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#### Section D Risks

Element	Disclosure requirements	Disclosure
D.2	Key information on the key risks that are specific to the issuer.	<p><b>Certain risks relating to the Company's industry</b></p> <ul style="list-style-type: none"> <li>As the Company's fleet consists of oil-service vessels and transportation vessels, the Company is exposed both to the offshore oil and gas industry which is significantly affected by, among other things, volatile oil and gas prices, and the seaborne transportation industry, which is cyclical and volatile.</li> <li>Development and construction of new sophisticated, high-specification vessels could cause the Company's vessels to become less desirable to charterers.</li> <li>The Company's vessels may be damaged or lost due to events such as marine disasters, environmental accidents, war, terrorism, piracy or other events.</li> <li>Operating internationally exposes the Company to risks inherent in operating in foreign countries.</li> <li>Maritime claimants could arrest one or more of the Company's vessels.</li> </ul> <p><b>Risks relating to the Company's operations</b></p> <ul style="list-style-type: none"> <li>The Company depends on the performance of the charterers of its vessels for its operating cash flows.</li> <li>The Company has inherent risk related to vessel construction, where the Company is exposed to risks for late delivery or even cancellations of newbuilding contracts.</li> <li>The Company may not be able to charter out its vessels at favorable terms following expiry or termination of the existing charter contracts.</li> <li>The Company is also exposed to operating risk on the FPSO Dhirubhai-1 and Connector. The Company may be subject to demobilisation and redeployment risk on the FPSO if the purchase option upon contract expiry is not exercised. The current contract expires on 21st September 2018. If the contract for the FPSO is not extended, or the Company is not able to secure a new long-term contract, or the purchase option is not exercised, the Company may be facing the risk of an impairment on the book value and reduced revenues relating to the FPSO.</li> <li>Certain of the Company's vessels are subject to purchase options held by the charterer of the vessel, which if exercised, could reduce the size of the Company's fleet and its future revenues.</li> <li>The market value of the Company's vessels may decrease, which could limit the amount of funds the Company can borrow, trigger financial covenants under the Company's borrowing arrangements or</li> </ul>

		<p>lead to losses in the event of a vessel sale following a decline in market value.</p> <ul style="list-style-type: none"> <li>• A significant portion of the Company's borrowing arrangements have floating interest rates and as a result interest rate fluctuations could negatively affect the financial performance of the Company. To mitigate this risk, we have entered into floating interest rate charters and interest rate swaps.</li> <li>• Certain of the Company's subsidiaries operate within the Norwegian tonnage tax regime. There has been implemented certain restrictions related to long term bareboat charters that will be implemented as from 1 November 2018.</li> <li>• Certain of the Company's charter contracts, borrowing agreements and other instruments are subject to change of control provisions.</li> </ul> <p><b>Financial Risk</b></p> <p><i>Financing risk</i> Ocean Yield is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the bond market. These loans are subject to refinancing typically at maturities ranging between five to ten years.</p> <p><i>Credit risk/counterparty risk</i> Ocean Yield has inherent credit risk through the fact that a counterparty may not be able to meet its obligations under a long term charter contract. In order to mitigate this, the Company charters out the vessels to internationally recognized companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no complete protection against potential counterparty default.</p> <p><i>Currency risks</i> Ocean Yield operates in the international market which leads to various types of currency exposure for the Group. Currency risks arise through ordinary, future business transactions, capitalized assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective group company. In addition, currency risk may arise from investments in subsidiaries with a different currency than USD.</p> <p><i>Interest rate risk</i> Ocean Yield's interest rate risk arises from external borrowings, internal borrowings and internal receivables. Borrowings and receivables issued at variable rates expose Ocean Yield ASA to cash flow interest rate risk.</p>
D.3	Key information on the key risks that are specific to the securities.	<p>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.</p> <p><i>Liquidity risk</i> is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.</p>

		<p><i>Interest rate risk</i> is the risk that results from the variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.</p> <p><i>Settlement risk</i> is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.</p> <p><i>Credit risk</i> is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest).</p> <p><i>Market risk</i> is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. 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.</p>
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#### Section E Offer

Section 2 Offer

Element	Disclosure requirements	Disclosure												
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	<div>Estimated total expenses related to the offer:</div> <table><tr><th>External party</th><th>Cost</th></tr><tr><td>The Norwegian FSA</td><td>NOK 76,000</td></tr><tr><td>The stock exchange</td><td>NOK 22,288</td></tr><tr><td>The Bond Trustee, p.a.</td><td>NOK 130,000</td></tr><tr><td>Legal fee</td><td>NOK 111,240</td></tr><tr><td>The Joint Lead Managers and the Co-manager</td><td>NOK 9,375,000</td></tr></table> <div>The net proceeds from the Bonds can be used to (i) partly refinance existing debt (ii) finance future growth of the Group and/or (iii) for general corporate purposes.</div>	External party	Cost	The Norwegian FSA	NOK 76,000	The stock exchange	NOK 22,288	The Bond Trustee, p.a.	NOK 130,000	Legal fee	NOK 111,240	The Joint Lead Managers and the Co-manager	NOK 9,375,000
External party	Cost													
The Norwegian FSA	NOK 76,000													
The stock exchange	NOK 22,288													
The Bond Trustee, p.a.	NOK 130,000													
Legal fee	NOK 111,240													
The Joint Lead Managers and the Co-manager	NOK 9,375,000													
E.3	Description of the terms and conditions of the offer.	Not applicable. There is no Description of the terms and conditions of the offer.												
E.4	Description of any interest that is material to the issue including conflicting interests.	<div>The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.</div> <div>The Global Coordinator and the Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in the</div>												

		<p>Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Global Coordinator's and the Joint Lead Managers's corporate finance department may act as manager or co-manager for this Company and/or Guarantor in private and/or public placement and/or resale not publicly available or commonly known.</p> <p>The Securities Note included the Summary dated 10 September 2018 together with the Registration Document dated 10 September 2018 constitutes the Prospectus.</p>
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	Not applicable. There is no estimated expenses charged to the investor by the issuer or the offeror

## 2 Risk Factors

Investing in bonds issued by Ocean Yield ASA involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which Ocean Yield ASA is aware and that Ocean Yield ASA considers to be material to its business. If any of these risks were to occur, Ocean Yield ASA's business, financial position, operating results or cash flows could be materially adversely affected, and Ocean Yield ASA could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information, including but not limited to risk factors for the Company, set out in the Registration Document dated 10 September 2018 and reach their own views prior to making any investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Company and the bonds issued by the Company, respectively.

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

**Liquidity risk** is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.

**Interest rate risk** - is the risk that results from the variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

**Settlement risk** is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

**Credit risk** is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest).

**Market risk** is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. 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.

### **Modification and Waiver**

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

The power of the Bond Trustee to represent the Bondholders and the duties and authority of the Bond Trustee are described in the Bond Agreement clause 17.1 and 17.2, respectively.

## 3 Persons Responsible

### 3.1 Persons responsible for the information

Persons responsible for the information given in the prospectus are:  
Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker, Norway

### 3.2 Declaration by persons responsible

**Responsibility statement:**

Ocean Yield ASA confirms, taken all reasonable care to ensure that such is the case, that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 10 September 2018

Ocean Yield ASA

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Eirik Eide  
CFO

## 4 Detailed information about the securities

ISIN code:	NO 0010823214
The Loan/The Reference Name/The Bonds:	"FRN Ocean Yield ASA Senior Unsecured Callable Bond Issue 2018/2023".
Borrower/Issuer:	Ocean Yield ASA, Norwegian enterprise no. 991 844 562
Security Type:	Bond issue with floating rate.
Borrowing Limit – Tap Issue:	NOK 1,250,000,000
Borrowing Amount/First Tranche:	NOK 750,000,000
Denomination – Each Bond:	NOK 500,000 - each and ranking pari passu among themselves
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	25 May 2018.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	25 May 2023.
Reference Rate:	NIBOR 3 months, rounded to the nearest hundredth of a percentage point.
Margin:	3.65 % p.a.
Coupon Rate:	Reference Rate + Margin, equal to 4.68 % p.a. for the interest period ending on 26 November 2018 (91 days).
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	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 ( <i>Modified Following Business Day Convention</i> ).
Interest Rate Determination Date:	23 May 2018, and thereafter two Business Days prior to each Interest Payment Day.
Interest Rate Adjustment Date:	With effect from Interest Payment Date.
Interest Payment Date:	Each 25 February, 25 May, 25 August and 25 November in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.  The first Interest Payment Date was 27 August 2018.
#Days first term:	94 days.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. Yield for the Interest Period (27 August 2018 – 26 November 2018) is 4.763 % p.a. assuming a price of 100 %.

**Business Day:** Means any day on which Norwegian commercial banks are open for general business, and can settle foreign currency transactions in Norway.

**Call Option:** The Issuer may redeem the Bond Issue in whole or in part (the "Call Option") as follows:

- a) at any time from and including the Interest Payment Date in May 2020 to, but not including, the Interest Payment Date in May 2021 at a price equal to 103.60% of par value (plus accrued interests on the redeemed amount);
- b) at any time from and including the Interest Payment Date in May 2021 to, but not including, the Interest Payment Date in May 2022 at a price equal to 102.60% of par value (plus accrued interests on the redeemed amount);
- c) at any time from and including the Interest Payment Date in May 2022 to, but not including, the Interest Payment Date in November 2022 at a price equal to 101.70% of par value (plus accrued interests on the redeemed amount); and
- d) any time from and including the Interest Payment Date in November 2022 to, but not including, the Final Maturity Date at a price equal to 100.00% of par value (plus accrued interests on redeemed amount).

Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders and at least thirty (30) Business Days prior to the settlement date of the Call Option.

Partial redemption must be carried out pro rata between the Bonds (in accordance with the procedures of the Securities Depository).

On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

Bonds redeemed by the Issuer in accordance with the paragraph 10.2 in the Bond Agreement shall be discharged against the Outstanding Bonds.

**Put options:**

*Change of control*

Upon the occurrence of a Change of Control Event, each Bondholder shall have the right of pre-payment of its Bonds at a price of 101% of par value (plus accrued interest of par value on the relevant Bonds).

The Put Option must be exercised within thirty (30) days after the Issuer has given notification to the Bond Trustee of a Change of Control Event. Such notification shall be given as soon as possible after a Change of Control Event has taken place.

The Put Option may be exercised by each Bondholder separately. Any Bondholder exercising its Put Option shall do so by notice in writing its account manager. The account manager shall notify the Paying Agent of the redemption request made by each such Bondholder. The settlement date of the Put Option shall be the forty-five (45) days after the Issuer has given notification to the Bondholders of the Change of Control Event.



On the settlement date of the Put Option, the Issuer shall pay to each of the Bondholders who has exercised its Put Option, the principal amount of each such Bond (at the price pursuant to paragraph 10.3 a) in the Bond Agreement and any unpaid interest accrued up to (but not including) the settlement date of the Put Option.

Change of Control Event:

Means if:

- (i) any person or group of persons under the same Decisive Influence, or two or more persons acting in concert (other than Aker ASA, any indirectly or directly owned Subsidiary of Aker ASA or any Affiliate of Aker ASA, including The Resource Group TRG AS) obtains Decisive Influence over the Issuer; or
- (ii) a de-listing of the Issuer's shares from the Oslo Børs occurs except where the Issuer's shares are or in connection with such de-listing becomes listed on another recognised stock exchange acceptable to the Bond Trustee.

Amortisation:

The bonds will run without installments and be repaid in full at Maturity Date at par.

Redemption:

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.

Status of the Loan/Security:

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

The Bonds are unsecured.

Undertakings:

During the term of the Loan the Issuer shall comply with the covenants in accordance with the Bond Agreement paragraph 13 Covenants, including but not limited to:

#### **General covenants**

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

The Issuer's obligations under the Bond 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 other Group Company shall, carry out any merger or other business combination or corporate reorganisation involving the consolidation of the assets and obligations of the Issuer or any such Group Company with any other company or entity not being a member of the Group, if such transaction would have a Material Adverse Effect.

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

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganisation involving the splitting of the Issuer or any such Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

**(d) Continuation of business**

- (i) The Issuer shall not cease to carry on its business, and shall ensure that no other Group Company shall cease to carry out its business if such cessation of business would have a Material Adverse Effect.
- (ii) The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of this Bond Agreement.

**(e) Corporate status**

The Issuer shall not change its type of organisation (as a limited liability company) or jurisdiction of organisation.

**(f) Insurance**

The Issuer shall, and shall procure that each Group Company will, maintain with reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its Vessels, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice.

**(g) Arm's length transactions**

The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms.

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

- (i) The Issuer shall cause all transactions between any Group Company and (A) any shareholder thereof not part of the Group, (B) any company in which any Group Company holds more than 10 per cent of the shares, or (iii) any company, person or entity controlled by, or any Affiliate of, any of the foregoing, to be entered on commercial terms, not less favourable to the Group Company than would have prevailed in an arms' length transaction with a third party.
- (ii) All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions.

**(j) Reporting**

The Issuer shall without being requested to do so, produce Financial Statements and Interim Accounts and make them available on its website in the English language (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 120 days after the end of the financial year in respect of its Financial Statements and 60 days after the end of the relevant quarter in respect of its Quarterly Financial Statements (each a "Reporting Date").

**Special covenants**

**(a) Dividend restrictions**

The Issuer shall not declare or make any dividend payment, repurchase of shares or make any loan or other equity or capital distributions or payments to its shareholders (including servicing of shareholder loans), whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a "Distribution"), unless the Liquidity exceeds the higher of (i) USD 30 million and (ii) 3% of Net Interest-Bearing Debt immediately after such Distribution takes place.

**(b) Subsidiaries' distributions**

Save for obligations under any Financial Indebtedness, 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) service any Financial Indebtedness to the Issuer, (iii) make any loans to the Issuer, or (iv) transfer any of its assets and properties to the Issuer, if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Agreement.

**c) Single-purpose companies**

The Issuer shall procure that any Group Company directly owning one or more Vessels shall remain single-purpose companies, not having any other business than solely related to their ownership and operation of the Vessels as well as rights and obligations under charters.

**d) Disposal of business**

The Issuer shall not, and shall ensure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

- (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and
- (ii) such transaction does not have a Material Adverse Effect.

**e) Servicing of other subordinated loans**

Subordinated loans may be serviced by way of payment of interest as long as no Event of Default has occurred and is continuing.

**f) Subordination of intra-group debt**

Save as required under agreements governing any Financial Indebtedness of the Group, the Issuer shall ensure that its obligations under all agreements related to intra-Group loans, if any, provided to it by any Group Company shall be subordinated in all respects to its obligations to the Bondholders under the Bond Agreement.

**Financial Covenants**

The Issuer shall, at all times during the term of the Bonds, maintain (on a consolidated basis for the Group):

- (i) a minimum Equity Ratio of 25%;
- (ii) a Liquidity of no less than USD 25,000,000; and
- (iii) an Interest Coverage Ratio of no less than 2.0:1 .

provided that in the event that an interest coverage ratio no longer applies as a financial covenant in any other agreements governing Financial Indebtedness of the Group, paragraph 13.5 (iii) in the Bond Agreement shall cease to apply and the Interest Coverage Ratio cease to exist as a Financial Covenant under the Bond Agreement.

(See chapter 1 in the Bond Agreement for definitions)

Cross Default:

The Bond Agreement include event of default provisions, as well as certain cross default provisions for the Issuer and any other Group Company in respect of any Financial Indebtedness in excess of USD 25 million (or the equivalent thereof in other currencies), to the extent the relevant Financial Indebtedness has recourse to the Issuer.

Please see paragraph 15 Events of Default in the Bond Agreement for further information.

Listing:

The Issuer will apply for listing of the Bonds on Oslo Børs.

Listing will take place as soon as possible after the prospectus has been approved by the Norwegian FSA. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Securities Note. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

Purpose/Use of proceeds:

The net proceeds from the Bonds can be used to (i) partly refinance existing debt (ii) finance future growth of the Group and/or (iii) for general corporate purposes.

Estimated total expenses related to the offer:

External party	Cost
The Norwegian FSA	See "Estimate of total expenses related to the admission to trading" below
The stock exchange	See "Estimate of total expenses related to the admission to trading" below
The Bond Trustee, p.a.	NOK 130,000
Legal fee	NOK 111,240
The Joint Lead Managers and the Co-manager	NOK 9,375,000

NIBOR:

Means the interest rate fixed for a defined period on Oslo Børs' webpage at approximately 12.15 Oslo time or, on days on which Oslo Børs has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo. If any such rate is below zero, NIBOR will be deemed to be zero.

Approvals:

The Bonds were issued in accordance with the approval of the Issuer's Board of Directors dated 23 May 2018.

The Norwegian FSA has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act (see Important notice on page 2 for duties and responsibility of the Norwegian).

The Norwegian FSA has approved the Prospectus by e-mail 10 September 2018

The prospectus has also been sent to the Oslo Børs ASA for control in relation to a listing application of the bonds.

Bond Agreement:

The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond 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. When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.

The Bond Agreement is attached as Appendix 1 to this Securities Note. The Bond Agreement is also available through the Bond Trustee, the Joint Lead Managers or from the Borrower.

Bondholders' meeting:

At the Bondholders' meeting each Bondholder has one vote for each bond he owns.

In order to form a quorum, at least half (1/2) of the aggregate principal amount of the Voting Bonds must be represented at the Bondholders' meeting. See also paragraph 16.4 in the Bond agreement.

Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, except as set forth below.

A majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of this Bond Agreement.

(For more details, see also paragraph 16 in the Bond agreement.

Availability of the Documentation:

<https://www.oceanyield.no>

Bond Trustee:

Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.

The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond agreement and applicable laws and regulations which are relevant to the terms of the 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 the Bond agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond agreement.

(For more details, see also Bond agreement clause 17)

Global Coordinator:

DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, NO-0191, Oslo, Norway

Joint Lead Managers:

Danske Bank, Norwegian Branch, Bryggetorget 4, 0107 Oslo, Norway;  
DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, NO-0191, Oslo, Norway;  
Fearnley Securities AS, Grev Wedels Plass 9, NO-0107 Oslo, Norway;  
Nordea Bank AB (publ), filial i Norge, Nordea Markets, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway;  
and  
Skandinaviska Enskilda Banken AB (publ), Norwegian Branch, Filipstad Brygge 1, 0252 Oslo, Norway.

Paying Agent:

DNB Bank ASA, Verdipapirservice, Dronning Eufemias gt. 30, N-0191 Oslo, Norway.

The Paying Agent is in charge of keeping the records in the Securities Depository.

Calculation Agent:	The Bond Trustee.
Securities Depository:	<p>The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository ("VPS"), P.O. Box 4, 0051 OSLO.</p>
Restrictions on the free transferability:	Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the 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 Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available). 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.
Market-Making:	There is no market-making agreement entered into in connection with the Bond Issue.
Prospectus:	The Registration Document dated 10 September 2018 and this Securities Note with Summary dated 10 September 2018.
Prospectus and listing fees:	Prospectus fee (NFSA) Registration Document NOK 60,000 Prospectus fee (NFSA) Securities Note NOK 16,000 Listing fee 2018 (Oslo Børs): NOK 16,388 Registration fee (Oslo Børs): NOK 5,900
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.

## 5 Additional Information

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated Danske Bank, Norwegian Branch, DNB Bank ASA, DNB Markets (Global Coordinator), Fearnley Securities AS, Nordea Bank AB (publ) branch in Norway and Skandinaviska Enskilda Banken AB (publ) as Joint Lead Managers for the issuance of the Loan. The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Loan.

### Statement from the Joint Lead Managers:

Danske Bank Norwegian Branch DNB Bank ASA, DNB Markets, Fearnley Securities, Nordea Bank AB (publ) branch in Norway and Skandinaviska Enskilda Banken AB (publ) have assisted the Borrower in preparing the prospectus. Danske Bank Norwegian Branch DNB Bank ASA, DNB Markets, Fearnley Securities, Nordea Bank AB (publ) branch in Norway and Skandinaviska Enskilda Banken AB (publ) have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 10 September 2018

Danske Bank, Norwegian Branch

DNB Bank ASA, DNB Markets

Fearnley Securities AS

Nordea Bank AB (publ) branch in Norway

Skandinaviska Enskilda Banken AB (publ) Norwegian Branch

### Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date. Each bond is negotiable.

## **6 Appendix 1: Bond agreement**



*Execution version*

**ISIN NO 0010823214**

**BOND AGREEMENT**

between

**OCEAN YIELD ASA**  
**("Issuer")**

and

**NORDIC TRUSTEE AS**  
**("Bond Trustee")**

on behalf of

**the Bondholders**

in the bond issue

**FRN Ocean Yield ASA Senior Unsecured Callable Bond Issue 2018/2023**

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Attachment 1 COMPLIANCE CERTIFICATE

**THIS AGREEMENT** has been entered into on 24 May 2018 by and between:

- (1) **Ocean Yield ASA** (a company incorporated in Norway with Company No. 991 844 562) as issuer (the “**Issuer**”); and
- (2) **Nordic Trustee AS** (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 9 (*Interest*) and 18.2 (*Defeasance*) and other Clauses may be defined in the relevant Clause):

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

“**Additional Bonds**” means all of the debt instruments issued or to be issued by the Issuer under this Agreement up to the Maximum Issue Amount in accordance with Clause 2.2.2.

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

- (i) any person which is a Subsidiary of the specified person;
- (ii) any person who has Decisive Influence over the specified person (directly or indirectly); and
- (iii) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

“**Aker ASA**” means Aker ASA, a company incorporated in Norway with Company No. 886 581 432.

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

“**Bond Agreement**” means this bond agreement, including any Attachments and any subsequent amendments and additions agreed in writing 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 Depository, from time to time.

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

“**Bonds**” means the Initial Bonds and, when issued, any Additional Bonds.

**“Business Day”** means any day on which Norwegian commercial banks are open for general business, and can settle foreign currency transactions in Norway.

**“Business Day Convention”** means that if the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment 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*).

**“Call Option”** shall have the meaning set forth in Clause 10.2 (*Call Option*).

**“Change of Control Event”** means if:

- (i) any person or group of persons under the same Decisive Influence, or two or more persons acting in concert (other than Aker ASA, any indirectly or directly owned Subsidiary of Aker ASA or any Affiliate of Aker ASA, including The Resource Group TRG AS) obtains Decisive Influence over the Issuer; or
- (ii) a de-listing of the Issuer’s shares from the Oslo Børs occurs except where the Issuer's shares are or in connection with such de-listing becomes listed on another recognised stock exchange acceptable to the Bond Trustee.

**“Default”** means an Event of Default or any event or circumstance specified in Clause 15 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**“Decisive Influence”** means a person having, as a result of an agreement or through the ownership of shares or interests in another person:

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

When determining the relevant person’s number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company’s Subsidiaries shall be included.

**“EBITDA”** means the Group’s aggregate earnings before interest expenses, taxes, depreciation and amortisation for the previous period of twelve (12) months as such term is defined in accordance with IFRS consistently applied, and adjusted for repayment of finance lease.

**“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.

**“Equity”** means Total Assets less Total Liabilities.

**“Equity Ratio”** means the ratio of Equity to Total Assets.

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

**“Exchange”** means a 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.

**“Final Maturity Date”** means 25 May 2023. Any adjustment will be made according to the Business Day Convention.

**“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 or any other party in relation to any amount payable under this Bond Agreement.

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

- (i) moneys borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (viii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) 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 IFRS, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

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

**“IFRS”** means generally acceptable accounting principles (as in effect from time-to-time) as set out in the statements and opinions of the International Accounting Standards Board and/or its respective successors and which are applicable in the circumstances as of the date in question.

**“Initial Bonds”** means all of the debt instruments issued or to be issued by the Issuer under this Agreement in accordance with Clause 2.2.1.

**“Initial Issue Amount”** means NOK 750,000,000.

**“Interest Coverage Ratio”** means the ratio of EBITDA to Net Interest Cost.

**“Interest Payment Date”** means 25 February, 25 May, 25 August and 25 November each year and the Final Maturity Date. Any adjustment will be made according to the Business Day Convention.

**“Interim Accounts”** means the unaudited consolidated quarterly financial statements of the Issuer for any quarter ending on a Quarter Date, drawn up according to IFRS, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.

**“ISIN”** means International Securities Identification Number – the identification number of the Bond Issue.

**“Issue Date”** means 25 May 2018.

**“Issuer’s Bonds”** means any Bonds owned by the Issuer, any person or persons who has Decisive Influence over the Issuer, or any person or persons over whom the Issuer has Decisive Influence.

**“Liquidity”** means, at any date, the aggregate amount of freely available and unrestricted cash and cash equivalents of the Group, in each case reported in accordance with IFRS.

**“Managers”** means the managers for this Bond Issue, being Danske Bank, Norwegian Branch, Bryggetorget 4, 0107 Oslo, Norway, DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, NO-0021 Oslo, Norway, Fearnley Securities AS, Grev Wedels Plass 9, NO-0107 Oslo, Norway; Nordea Bank AB (publ), filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway, and Skandinaviska Enskilda Banken AB (publ), Norwegian Branch, Filipstad Brygge 1, NO-0252 Oslo, Norway.

**“Margin”** means 3.65 percentage points per annum.

**“Material Adverse Effect”** means a material adverse effect on: (i) the Issuer’s ability to perform and comply with any of its obligations under the Bond Agreement; or (ii) the validity or enforceability of the Bond Agreement.

**“Maximum Issue Amount”** means NOK 1,250,000,000.

**“Net Interest-Bearing Debt”** means the book value of the Group’s total interest-bearing debt in accordance with IFRS less Liquidity.

**“Net Interest Cost”** means the aggregate gross *cash* interest costs of the Group related to the Group's interest-bearing debt less the aggregate gross *cash* interest income of the Group (to be calculated on a 12-month rolling basis). For the avoidance of doubt, PIK interests shall not be considered as interest income (unless it is received in cash). Furthermore, gains or losses (whether realised or unrealised) on interest rate, currency or derivatives transactions (mark-to-market accounting, where relevant) shall not be considered as interest income or cost.

**“NIBOR”** means the interest rate fixed for a defined period on Oslo Børs’ webpage at approximately 12.15 Oslo time or, on days on which Oslo Børs has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo. If any such rate is below zero, NIBOR will be deemed to be zero.

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

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

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

**“Paying Agent”** means the legal entity appointed by the Issuer to act as its paying agent in the Securities Depository with respect to the Bonds.

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

**“Put Option”** means any such event as referred to in Clause 10.3 (*Put Option*) giving the Bondholders a right of prepayment of its Bonds on such terms and conditions as set out therein.

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

**“Reporting Date”** shall have the meaning given to it in paragraph (d) of Clause 13.2.1.

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

**“Securities Depository”** means the securities depository in which the Bond Issue is registered, being Verdipapirsentralen ASA (VPS) in Norway.

**“Stamdata”** means the web site [www.stamdata.no](http://www.stamdata.no), maintained by the Bond Trustee.

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

**“Tap Issue”** means the issue of one or several Additional Bonds up to the Maximum Issue Amount.

**“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.

**“The Resource Group TRG AS”** means The Resource Group TRG AS, a company incorporated in Norway with Company No. 989 689 762.

**“Total Assets”** means the aggregate book value of the Group’s total assets (tangible and intangible) at any time less Liquidity.

**“Total Liabilities”** means the book value of long term and short term debt and other liabilities which shall be included in the balance sheet at any time, but excluding any non-cash seller’s credits or payment of hire reflected as a liability in the financial statements of the Issuer *less* Liquidity.

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

**“Vessel”** means any vessel or offshore unit owned by a Group Company at any time.

**“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 a person or to direct the management and policies of a person, whether through the ownership of voting capital, by contract or otherwise;
- (g) 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); and



- (h) an Event of Default is “**continuing**” if it has not been remedied or waived.

## **2 THE BONDS**

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

- 2.1.1 By virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of this Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with, see also Clause 18.1 (*The community of Bondholders*).
- 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. This Bond Agreement may be published on Stamdata or such other venues as decided by the Bond Trustee.

### **2.2 The Bonds**

- 2.2.1 The Issuer has resolved to issue a series of Initial Bonds in the Initial Issue Amount.
- 2.2.2 The Issuer may at one or more occasions from the Issue Date and to be closed no later than five (5) Business Days prior to the Final Maturity Date issue Additional Bonds under this Agreement provided always that:
- (a) the aggregate principal amount of all Bonds, before and after such issue, does not exceed the Maximum Issue Amount;
  - (b) no Event of Default has occurred or would occur as a result of the making of such Tap Issue;
  - (c) the Issuer confirms that the documents earlier received by the Bond Trustee pursuant to Clause 6.1, are still valid, or provides updates of such documents to the Bond Trustee;
  - (d) the representations and warranties contained in this Bond Agreement remain true and correct and are repeated by the Issuer; and
  - (e) such Tap Issue complies with applicable laws and regulations at the time of each such Tap Issue.
- 2.2.3 All Bonds issued under this Bond Agreement shall have a nominal value of NOK 500,000.
- 2.2.4 All of the Bonds issued under this Agreement shall rank *pari passu* between themselves and be subject to identical terms and conditions.
- 2.2.5 The rights and obligations of the Parties also apply for later Tap Issues. The Bond Trustee and the Issuer will on the issuing of additional Tap Issues make an addendum to this Agreement regulating the conditions for each such Tap Issue.

2.2.6 The Bond Issue will be described as “FRN Ocean Yield ASA Senior Unsecured Callable Bond Issue 2018/2023”.

2.2.7 The ISIN of the Bond Issue will be NO 001 0823214.

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

2.2.9 The net proceeds from the Bond Issue shall be transferred to the Issuer on the Issue Date.

### **2.3 Purpose and utilisation**

2.3.1 The net proceeds from the Initial Bonds (net of legal costs, fees of the Managers and the Bond Trustee and any other agreed costs and expenses) shall be applied to (i) partly refinance existing debt, (ii) finance future growth of the Group and/or (iii) for the general corporate purposes of the Group.

2.3.2 The proceeds of any Additional Bonds shall be applied as determined by the Issuer.

## **3 LISTING**

3.1 The Issuer shall apply for listing of the Bonds on Oslo Børs.

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 THE SECURITIES DEPOSITORY**

4.1 The Bond Issue and the Bonds shall prior to disbursement be registered in the Securities Depository according to the Securities Depository Act and the terms and conditions of the Securities Depository.

4.2 The Issuer shall ensure that correct registration in the Securities Depository is made and shall notify the Securities Depository of any changes in the terms and conditions of this Bond Agreement. The Bond Trustee shall receive a copy of the notification. The registration may be executed by the Paying Agent.

4.3 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 or elsewhere other than in the Securities Depository under the Securities Depository Act.

## **5 PURCHASE AND TRANSFER OF BONDS**

5.1 Subject to the restrictions set forth in this Clause 5, the Bonds are freely transferable and may be pledged.

5.2 Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under 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). Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense.

- 5.3 Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its rights (including, but not limited to, its voting rights) under this Bond Agreement.

## **6 CONDITIONS PRECEDENT – INITIAL BONDS**

- 6.1 Disbursement of the net proceeds of the Initial 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 (2) 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 of the Issuer approving the issue of the Bonds and the execution of the Finance Documents;
- (c) a certified copy of the Issuer's updated articles of association ("*vedtekter*") and certificate of registration ("*firmaattest*");
- (d) unless covered by the corporate resolutions referred to in paragraph (b) above, a power of attorney from the Issuer to relevant individuals for their execution of the relevant Finance Documents;
- (e) the latest Financial Statements and Interim Accounts;
- (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 governmental approvals, consents, waivers and/or public authorisations required for the Bond Issue;
- (h) confirmation from the Paying Agent that the Bonds have been or will be registered in the Securities Depository;
- (i) the agreement between the Bond Trustee and the Issuer related to expenses and fees set forth in Clause 14.2, duly executed;
- (j) copies of any written documentation used in the marketing of the Bonds or made public by the Issuer or the Managers in connection with the Bond Issue; and
- (k) any statements or legal opinions reasonably required by the Bond Trustee.

- 6.2 The Bond Trustee may, in its sole discretion, waive the deadline or requirements for documentation as set forth in Clause 6.1.

- 6.3 Disbursement of the net proceeds of the Initial Bonds to the Issuer is subject to the Bond Trustee's written notice to the Issuer, the Managers and the Paying Agent confirming that the documents listed in Clause 6.1 have been controlled and that the required conditions precedent are fulfilled.

- 6.4 Subject to the conditions set out in Clause 6.1, and following receipt of confirmation from the Bond Trustee pursuant to Clause 6.3, the Managers shall on the Issue Date make the net proceeds from the Initial Bonds available to the Issuer.

## 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 or will be 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 Issuer) the legal, valid and binding obligations of the Issuer, 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.

*(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 applicable to the Issuer under its jurisdiction of incorporation or under the jurisdiction of any of its assets; (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*

- (i) No Event of Default exists or is likely to result from the making of any drawdown under this Bond Agreement or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (ii) No other event or circumstance is outstanding which constitutes (or with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or

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

*(f) Authorisations and consents*

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

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

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

*(g) Litigation*

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

*(h) Financial Statements*

Its most recent consolidated Financial Statements and Interim Accounts fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with IFRS, consistently applied from one year to another.

*(i) No Material Adverse Effect*

Since the date of the most recent consolidated 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.

*(j) No misleading information*

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

*(k) Environmental compliance*

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.

(l) *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.

(m) *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* as set out in Clause 8.1 (*Ranking and priority*).

(n) *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.

## **8 STATUS OF THE BONDS**

### **8.1 Ranking and priority**

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

### **8.2 Security**

The Bonds are unsecured.

## **9 INTEREST**

- 9.1 The Issuer shall pay interest on the par 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 being 25 August 2018.
- 9.3 The relevant interest payable amount shall be calculated based on a period from, and including, the Issue Date or one Interest Payment Date (as the case may be) to, but excluding, the next following applicable Interest Payment Date.
- 9.4 The day count fraction (the "**Floating Rate 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 is divided by 360.
- 9.5 The applicable Floating Rate on the Bonds is set on the Issue Date for the relevant Bonds and reset on each Interest Payment Date by the Bond Trustee, based on the Bond Reference Rate

two (2) Business Days preceding the Issue Date or Interest Payment Date (as the case may be). The Bond Trustee shall immediately, following the determination of the Floating Rate for the relevant period, notify the Bondholders, the Issuer, the Paying Agent and, if the Bonds are listed, the Exchange of the applicable Floating Rate.

- 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 Final Maturity Date, and shall be repaid by the Issuer at 100% of par value plus accrued and unpaid interests.

### 10.2 Call Option

- 10.2.1 The Issuer may redeem the Bond Issue (in whole, and not in parts) (the "Call Option") as follows:

- (a) at any time from and including the Interest Payment Date in May 2020 to, but not including, the Interest Payment Date in May 2021 at a price equal to 103.60% of par value (plus accrued interests on the redeemed amount);
- (b) at any time from and including the Interest Payment Date in May 2021 to, but not including, the Interest Payment Date in May 2022 at a price equal to 102.60% of par value (plus accrued interests on the redeemed amount);
- (c) at any time from and including the Interest Payment Date in May 2022 to, but not including, the Interest Payment Date in November 2022 at a price equal to 101.70% of par value (plus accrued interests on the redeemed amount); and
- (d) any time from and including the Interest Payment Date in November 2022 to, but not including, the Final Maturity Date at a price equal to 100.00% of par value (plus accrued interests on redeemed amount).

- 10.2.2 Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders and at least thirty (30) Business Days prior to the settlement date of the Call Option.

- 10.2.3 On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bonds (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

10.2.4 Bonds redeemed by the Issuer in accordance with this clause 10.2 shall be discharged against the Outstanding Bonds.

### 10.3 Put Option

- (a) Upon the occurrence of a Change of Control Event, each Bondholder shall have a right of pre-payment of its Bonds at a price of 101% of par value (plus accrued interest of par value on the relevant Bonds).
- (b) The Put Option must be exercised within thirty (30) days after the Issuer has given notification to the Bondholders of the Change of Control Event. Such notification shall be given as soon as possible after a Change of Control Event has taken place.
- (c) The Put Option may be exercised by each Bondholder separately. Any Bondholder exercising its Put Option shall do so by notice in writing to its Account Manager. The Account Manager shall notify the Paying Agent of the redemption request made by each such Bondholder. The settlement date of the Put Option shall be forty-five (45) days after the Issuer has given notification to the Bondholders of the Change of Control Event.
- (d) On the settlement date of the Put Option, the Issuer shall pay to each Bondholder who has exercised its Put Option, the principal amount of each such Bond (at the price pursuant to paragraph (a) above) and any unpaid interest accrued up to (but not including) the settlement date of the Put Option.

## 11 PAYMENTS

### 11.1 Covenant to pay

11.1.1 The Issuer will on any Payment Date (or any other due date pursuant to any Finance Document) unconditionally pay to or to the order of the Bond Trustee all amounts due under this Bond Agreement or any other Finance Document.

11.1.2 The covenant contained in Clause 11.1.1 shall be for the benefit of the Bond Trustee and the Bondholders.

### 11.2 Payment mechanics

11.2.1 If no specific order is made by the Bond Trustee under Clause 11.1.1, the Issuer shall pay all amounts due to the Bondholders under this Bond Agreement or any other Finance Document by crediting the bank account nominated by each Bondholder in connection with its securities account in the Securities Depository.

11.2.2 Payment shall be deemed 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 deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question, see however Clause 11.3 (*Currency*).



11.2.3 In case of irregular payments, the Bond Trustee may instruct the Issuer or Bondholders of other payment mechanisms than described in Clause 11.2.1 or 11.2.2 above. The Bond Trustee may also obtain payment information regarding Bondholders' accounts from the Securities Depository or Account Managers.

11.2.4 Subject to Clause 11.3 (*Currency*), payment by the Issuer in accordance with this Clause 11.2 shall constitute good discharge of its obligations under Clause 11.1.1.

### **11.3 Currency**

11.3.1 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 any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, cash settlement may be delayed, and payment shall be deemed to have been made at the date of the cash settlement, provided however, that no default interest or other penalty shall accrue for the account of the Issuer.

11.3.2 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, a Bondholder has not given such instruction as set out in Clause 11.3.1, within five (5) Business Days prior to a Payment Date, the cash settlement will be credited to the NOK bank account registered with that Bondholder's account in the Securities Depository.

11.3.3 Amounts payable in respect of costs, expenses, taxes and other liabilities of a similar nature shall be payable in the currency in which they are incurred.

### **11.4 Set-off and counterclaims**

11.4.1 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.

### **11.5 Interest in the event of late payment**

11.5.1 In the event that any amount due under this Bond Agreement or any Finance Document is not made on the relevant due date, the unpaid amount bear interest from the due date at an interest rate equivalent to the interest rate according to Clause 9 (*Interest*) plus 5.00 per cent. per annum.

11.5.2 The interest charged under this Clause 11.5 shall be added to the defaulted amount on each respective Interest Payment Date relating thereto until the defaulted amount has been paid or repaid in full.

11.5.3 The unpaid 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.

## 11.6 Partial payments

If the Bond Trustee or the Paying Agent receives a payment that is insufficient to discharge all the amounts then due and payable under the Finance Documents, that payment shall be applied in the following order:

- (a) **firstly**, in or towards payment of any unpaid fees, costs and expenses of the Bond Trustee under the Finance Documents;
- (b) **secondly**, in or towards payment of any accrued interest due but unpaid under the Bond Agreement, *pro rata* and without any preference or priority of any kind; and
- (c) **thirdly**, in or towards payment of any principal due but unpaid under the Bond Agreement, *pro rata* and without any preference or priority of any kind.

## 12 ISSUER'S ACQUISITION OF BONDS

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 or sold by the Issuer.

## 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 notify the Bond Trustee of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;
- (b) without being requested to do so, inform the Bond Trustee of any other event which may have a Material Adverse Effect promptly upon becoming aware of its occurrence;
- (c) without being requested to do so, inform the Bond Trustee if any Group Company 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 and Interim Accounts and make them available on its website in the English language (alternatively by

arranging for publication on Stamdata) as soon as they become available, and not later than onehundredtwenty (120) days after the end of the financial year in respect of its Financial Statements and sixty (60) days after the end of the relevant quarter in respect of its Quarterly Financial Statements (each a "**Reporting Date**");

- (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 statutory notifications of any Group Company, including but not limited to mergers, de-mergers and reduction of any such Group Company's share capital or equity;
- (g) if the Bonds are listed on an Exchange, without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange;
- (h) if the Issuer and/or the Bonds are rated by a public rating agency, without being requested to do so, inform the Bond Trustee of its and/or the rating of the Bond Issue, and any changes to such rating;
- (i) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Depository; and
- (j) within a reasonable time, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request.

13.2.2 On each Reporting Date, the Issuer shall confirm to the Bond Trustee in writing its compliance with the covenants in paragraph (d) of Clause 13.5 (*Preservation of equity and financial covenants*). Such confirmation shall be undertaken in a compliance certificate, substantially in the format set out in Attachment 1 hereto (a "**Compliance Certificate**"), 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 other Group Company shall, carry out any merger or other business combination or corporate reorganisation involving the consolidation of the assets and obligations of the Issuer or any such Group Company with any other company or entity not being a member of the Group, if such transaction would have a Material Adverse Effect.

*(c) De-mergers*

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganisation involving the splitting of the Issuer or any such Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

*(d) Continuation of business*

- (i) The Issuer shall not cease to carry on its business, and shall ensure that no other Group Company shall cease to carry out its business if such cessation of business would have a Material Adverse Effect.
- (ii) The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of this Bond Agreement.

*(e) Disposal of business*

The Issuer shall not, and shall ensure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

- (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and
- (ii) such transaction does not have a Material Adverse Effect.

**13.4 Corporate and operational matters***(a) Transactions with shareholders, directors and affiliated companies*

- (i) The Issuer shall cause all transactions between any Group Company and (A) any shareholder thereof not part of the Group, (B) any company in which any Group Company holds more than 10 per cent of the shares, or (iii) any company, person or entity controlled by, or any Affiliate of, any of the foregoing, to be entered on commercial terms, not less favourable to the Group Company than would have prevailed in an arm's length transaction with a third party.
- (ii) All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions.

*(b) Arm's length transactions*

The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms.

(c) *Corporate status*

The Issuer shall not change its type of organisation (as a limited liability company) or jurisdiction of organisation.

(d) *Single-purpose companies*

The Issuer shall procure that any Group Company directly owning one or more Vessels shall remain single-purpose companies, not having any other business than solely related to their ownership and operation of the Vessels as well as rights and obligations under charters.

(e) *Subsidiaries' distributions*

Save for obligations under any Financial Indebtedness, 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) service any Financial Indebtedness to the Issuer, (iii) make any loans to the Issuer, or (iv) transfer any of its assets and properties to the Issuer, if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under this Bond Agreement.

(f) *Insurance*

The Issuer shall, and shall procure that each Group Company will, maintain with reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its Vessels, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice.

(g) *Compliance with laws*

The Issuer shall, and shall ensure that all Group Companies will, 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).

(h) *Litigation*

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

- (i) material litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which are pending or, to the best of the Issuer's knowledge, threatened against any Group Company and which could reasonably be expected to have a Material Adverse Effect; and
- (ii) 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 Preservation of equity and financial covenants

(a) *Dividend restrictions*

The Issuer shall not declare or make any dividend payment, repurchase of shares or make any loan or other equity or capital distributions or payments to its shareholders (including servicing of shareholder loans), whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a “Distribution”), unless the Liquidity exceeds the higher of (i) USD 30 million and (ii) 3% of Net Interest-Bearing Debt immediately after such Distribution takes place.

(b) *Subordination of intra-Group debt*

Save as required under agreements governing any Financial Indebtedness of the Group, the Issuer shall ensure that its obligations under all agreements related to intra-Group loans, if any, provided to it by any Group Company shall be subordinated in all respects to its obligations to the Bondholders under this Bond Agreement.

(c) *Servicing of other subordinated loans*

Subordinated loans may be serviced by way of payment of interest as long as no Event of Default has occurred and is continuing.

(d) *Financial covenants*

The Issuer shall, at all times during the term of the Bonds, maintain (on a consolidated basis for the Group):

- (i) a minimum Equity Ratio of 25.00%;
- (ii) a Liquidity of no less than USD 25,000,000; and
- (iii) an Interest Coverage Ratio of no less than 2.0:1,

provided that in the event that an interest coverage ratio no longer applies as a financial covenant in any other agreements governing Financial Indebtedness of the Group, paragraph (iii) shall cease to apply and the Interest Coverage Ratio cease to exist as a Financial Covenant under this Bond Agreement.

## 14 FEES AND EXPENSES

- 14.1 The Issuer shall cover all costs and expenses incurred by it or the Bond Trustee in connection with this Bond Agreement and the fulfilment of its obligations under this Bond Agreement or any other Finance Document, including in connection with the negotiation, preparation, execution and enforcement of this Bond Agreement and the other Finance Documents and any registration or notifications relating thereto (including any stamp duty), the listing of the Bonds on an Exchange (if applicable), and the registration and administration of the Bonds in the Securities Depository. The Bond Trustee may withhold funds from any escrow account (or

similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Security under a Finance Documents, to set-off and cover any such costs and expenses.

- 14.2 The fees, costs and expenses payable to the Bond Trustee shall be paid by the Issuer and are set out in a separate agreement between the Issuer and the Bond Trustee.
- 14.3 Fees, costs and expenses payable to the Bond Trustee which, due to the Issuer's insolvency or similar circumstances, are not reimbursed in any other way may be covered by making an equivalent reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection with the restructuring or default of the Bond Issue.
- 14.4 Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer is not responsible for reimbursing any such fees.
- 14.5 The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to the Bondholders.
- 14.6 If the Issuer is required by law to withhold any withholding tax from any payment under any Finance Document:
  - (a) the amount of the payment due from the Issuer shall be increased to such amount which is necessary to ensure that the Bondholders receive a net amount which is (after making the required withholding) equal to the payment which would have been due if no withholding had been required; and
  - (b) the Issuer shall at the request of the Bond Trustee deliver to the Bond Trustee evidence that the required tax reduction or withholding has been made.
- 14.7 If any withholding tax is imposed due to subsequent changes in applicable law after the date of this Bond Agreement, the Issuer shall have the right to call all but not some of the Bonds at par value plus accrued interest. Such call shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least thirty (30) Business Days prior to the settlement date of the call.

## 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 (each of which being 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 five (5) Business Days following the original due date.

*(b) Breach of financial covenants*

The Issuer fails to fulfil any requirement of paragraph (d) (*Financial covenants*) of Clause 13.5 (*Preservation of equity and financial covenants*) provided that a breach of the minimum Interest Coverage Ratio set out therein shall not constitute an Event of Default under this Bond Agreement if:

- (i) in respect of any single Quarter Date, the Issuer at the subsequent Reporting Date, provides documentation to the Bond Trustee evidencing that (at the Quarter Date to which such subsequent Reporting Date relates), the Liquidity of the Issuer (on a consolidated basis) is no less than the higher of (a) USD 40,000,000, and (b) 3% of its Net Interest-Bearing Debt; or
- (ii) in respect of any two or more consecutive Quarter Dates, the Issuer at the Reporting Date of the second of those two Quarter Dates, provides documentation to the Bond Trustee evidencing that, the Liquidity of the Issuer (on a consolidated basis) is no less than the higher of (a) USD 50,000,000, and (b) 3% of its Net Interest-Bearing Debt.

*(c) Breach of other obligations*

The Issuer fails to duly perform any other covenant or obligation pursuant to this Bond Agreement or any of the Finance Documents, unless remedied within ten (10) Business Days after notice thereof is given to the Issuer by the Bond Trustee.

*(d) Cross default*

An event occurs in relation to the Issuer or any other Group Company where;

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

provided, in each case referred to in paragraphs (i) to (iv) above, that the amount of Financial Indebtedness in question exceeds USD 25,000,000 in aggregate and provided further, in relation to any Group Company other than the Issuer, that there is recourse to the Issuer under or in relation to any such Financial Indebtedness of the relevant Group Company.



(e) *Misrepresentations*

Any representation, warranty or statement (including statements in compliance certificates) made under this Bond Agreement, any other Finance Document 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.

(f) *Insolvency*

- (i) In relation to the Issuer, any corporate action, legal proceedings or other procedures is taken with respect to or concerning:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation;
  - (B) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Issuer's ability to perform its payment obligations hereunder;
  - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
  - (D) the enforcement of any security over any of its assets.
- (ii) In relation to any other Group Company, there occurs an event corresponding to any of those mentioned in sub-paragraph (i) above which, in the reasonable opinion of the Bond Trustee, is likely to have a Material Adverse Effect.

(g) *Creditors' process*

- (i) A substantial proportion of the Issuer's assets is impounded, confiscated, attached or made subject to a distraint, which is not lifted or released within twenty-one (21) days of its occurrence, or the Issuer is subject to enforcement of any security over any of its assets.
- (ii) In relation to any other Group Company, there occurs an event corresponding to any of those mentioned in sub-paragraph (i) above which, in the reasonable opinion of the Bond Trustee, is likely to have a Material Adverse Effect.

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

- (i) A resolution is passed for the dissolution of the Issuer or a liquidator, administrator or the like is appointed or requested to be appointed in respect of the Issuer unless contested in good faith by the Issuer.

- (ii) In relation to any other Group Company, there occurs an event corresponding to any of those mentioned in sub-paragraph (i) above which, in the reasonable opinion of the Bond Trustee, is likely to have a Material Adverse Effect.

(i) *Litigation*

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

(j) *Material Adverse Effect*

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

(k) *Repudiation*

Any Issuer 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, costs 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, costs and expenses to be in default and due for payment if:

- (a) the Bond Trustee receives a demand in writing that a default shall be declared 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 with simple majority 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. The claim derived from the Outstanding Bonds due for payment as a result of an Event of Default shall be calculated at the prices set out in Clause 10.2 (*Call Option*).

## **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, and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

16.1.2 The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

16.1.3 If a resolution by or an approval of the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting, see however Clause 17.1. Resolutions passed at Bondholders' Meetings shall be binding upon all Bondholders and prevail for all the Bonds.

### **16.2 Procedural rules for Bondholders' Meetings**

16.2.1 A Bondholders' Meeting shall be held at the written 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 ten (10) Business Days after having received a valid request, then the requesting party may summons the Bondholders' Meeting itself.

16.2.4 The summons to a Bondholders' Meeting shall be dispatched no later than ten (10) Business Days prior to the date of 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

Depository at the time of distribution. The Exchange shall also be informed if the Bonds are listed.

- 16.2.5 The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set out 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 from making any changes in the number 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 and Bonds 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 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 chairman shall decide who may attend the Bondholders' Meeting and vote for the Bonds.
- 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 Depository. The Bond Trustee may, at its sole discretion, accept other evidence of ownership. 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.

For this purpose, a Bondholder that has a Bond that is nominee registered shall be deemed as the Bondholder of such Bond (instead of the nominee) provided that the Bondholder presents relevant evidence stating that the relevant Bondholder is the Bondholder of the Bond and the amount of Bonds held by such Bondholder.

- 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 (*Repeated Bondholders' Meeting*). 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 out in Clause 16.3.5.
- 16.3.5 A majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of this Bond Agreement.
- 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, however, the Bond Trustee may refuse to carry out resolutions being in conflict with this Bond Agreement (or any other Finance Document) or any applicable law.
- 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 The procedures and resolutions as set out in 16.2 and 16.3 above also apply for a repeated Bondholders' meeting, however, a valid resolution may be passed at a repeated Bondholders' Meeting 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 (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 out in this Bond Agreement.

- 17.1.2 The Bond Trustee may take any step it in its sole discretion considers necessary or advisable to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement and is entitled to rely on advice from professional advisors. The Bond Trustee may in its sole discretion postpone taking action until such matter has been put forward to the Bondholders' Meeting. The Bond Trustee is not obliged to take any steps to ascertain whether any Event of Default has occurred and until it has actual knowledge or express notice to the contrary the Bond Trustee is entitled to assume that no Event of Default has occurred.
- 17.1.3 The Bond Trustee may make decisions binding for all Bondholders concerning this Bond Agreement, including amendments to this Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not materially and adversely affect the rights or interests of the Bondholders pursuant to this Bond Agreement.
- 17.1.4 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 binding for all Bondholders in the event that any Bondholder submits 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 reach other decisions than set out in Clauses 17.1.3 or 17.1.4 to amend or rectify decisions which due to spelling errors, calculation mistakes, misunderstandings or other obvious errors do not have the intended meaning.
- 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 this 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.
- 17.1.9 The Bond Trustee may act as bond trustee and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee may delegate exercise of its powers to other professional parties.
- 17.1.10 The Bond Trustee may instruct the Paying Agent to split the Bonds to a lower denomination in order to facilitate partial redemptions or restructuring of the Bonds or other situations.

## 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 gross negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set out in this Bond Agreement. Such liability is limited to the Maximum Issue Amount. 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 Document, 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 any other Finance Document.

17.2.3 The Bond Trustee can as a condition for carrying out an instruction from the Bondholders (including, but not limited to, instructions set out in Clause 15.3(a) or 16.2.1(b), require satisfactory security and indemnities for any possible liability and anticipated costs and expenses, from those Bondholders who requested that instruction and/or those who voted in favour of the decision to instruct the Bond Trustee. Any instructions from the Bondholders may be put forward to the Bondholders' Meeting by the Bond Trustee before the Bond Trustee takes any action

## 17.3 Change of Bond Trustee

17.3.1 Change of Bond Trustee shall be carried out pursuant to the procedures set out in Clause 16 (*Bondholders' Meeting*). 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 (*Fees and expenses*), but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach by the Bond Trustee of its 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 out under the terms of this Bond Agreement.

## 17.4 Appointment of Security Agent

17.4.1(a) The Bonds are unsecured. However, if during the term of this Bond Agreement, security shall be provided under Clause 18.2 (*Defeasance*), the Bond Trustee is appointed to act as Security Agent for the Bond Issue.

(b) The main functions of the Security Agent may include holding security 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.

- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- 17.4.2(a) The functions, rights and obligations of the Security Agent may be determined by a security Agent agreement to be entered into between the Bond Trustee and the security agency agreement, which the Bond Trustee shall have the right to require the Issuer and any other parties to any security document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters.
- (b) 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, 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 (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**

- 18.1.1 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, and/or represent; the Bondholders, in all matters, included but not limited to taking any legal or other action, including enforcement of the Bond Issue and/or any Security, opening of bankruptcy or other insolvency proceedings;
  - (c) the Bond Trustee has, in order to manage the terms of this Bond Agreement, access to the Securities Depository to review ownership of Bonds registered in the Securities Depository; and
  - (d) this Bond Agreement establishes a community between Bondholders meaning that;
    - (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, or any other third party based on claims derived from the Finance Documents,



however not restricting the Bondholders to exercise their individual rights derived from this 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
- (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 ("**Security and Covenant Defeasance**"):

- (a) the Issuer shall have irrevocably pledged to the Bond Trustee for the benefit of the Bondholders cash or government bonds 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 Final Maturity Date (or redemption upon a exercise of a notified Call Option) or any other amount agreed between the Parties;
- (b) 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 during any hardening period applicable to the Defeasance Pledge (or the relevant period for non-Norwegian companies) or any other date agreed between the Parties;
- (c) if the Bonds are secured, the Defeasance Pledge shall be considered as a replacement of the security established prior to the Defeasance Pledge;
- (d) 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; and
- (e) the Issuer shall have delivered to the Bond Trustee any certificate or legal opinion reasonably required by the Bond Trustee regarding the Security and Covenant Defeasance or Defeasance Pledge, including any certificate or legal opinion on (i) the compliance of the conditions of the Security and Covenant Defeasance, (ii) that the Defeasance Pledge constitutes a valid, perfected and enforceable security in favour of the Bond Trustee for the benefit of the Bondholders which will not be subject to any rights of creditors of the Issuer or any 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, (iii) any relevant tax issues concerning the Bondholders, (iv) any valuation of any

assets, or (v) any other certificate or opinion regarding the Security and Covenant Defeasance or the Defeasance Pledge.

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

- (a) the Issuer shall be released from its obligations under all provisions in Clause 13, except 13.2.1 (a), (e), (i) and (j), or as otherwise agreed;
- (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 Security and 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 relevant guarantee(s), and such guarantee(s) shall cease to have any legal effect, or as otherwise agreed;
- (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, or as otherwise agreed;
- (e) all other provisions of this Bond Agreement (except (a) – (c) above) shall remain fully in force without any modifications, or as otherwise agreed.

18.2.3 All amounts owed by the Issuer hereunder covered by the Defeasance Pledge shall be applied by the Bond Trustee, in accordance with the provisions of this Bond Agreement, against 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 This Bond Agreement is available to anyone and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee shall not have any obligation to distribute any other information to the Bondholders or others than explicitly stated in this Bond Agreement. The

Issuer shall ensure that a copy of this Bond Agreement is available 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 this Bond Agreement, have access to the Securities Depository for the purposes of reviewing ownership of the Bonds registered in the Securities Depository.

## 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 the Parties.

## 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 Depository with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at Stamdata. Any such notice or communication shall be deemed to be given or made as follows:

- (a) if by letter via the Securities Depository, when sent from the Securities Depository; and
- (b) if by publication on Stamdata, when publicly available.

18.6.2 The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Depository 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 the Issuer shall be given or made in writing, by letter, e-mail or fax. Any such notice or communication 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 e-mail, when received; and
- (c) if by fax, when received.

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.

18.6.5 When determining deadlines set out in this Bond Agreement, the following shall apply (unless otherwise stated):

- (a) If the deadline is set out in days, the first day when the deadline is in force shall not be inclusive, however, the meeting day or the occurrence the deadline relates to, shall be included.

- (b) If the deadline is set out in weeks, months or years, the deadline shall end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline shall be the last day of such month.
- (c) If a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Date.

#### 18.7 Dispute resolution and legal venue

This Bond Agreement and all disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and the Issuer, 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 the Issuer, shall, subject to paragraph (c) below, be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.

This Clause 18.7 is for the benefit of the Bond Trustee only. As a result, the Bond Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may take concurrent proceedings in any number of jurisdictions.

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

**Ocean Yield ASA**  
as Issuer



By: Eirik Eide

Position: Attorney-in-Fact

**Nordic Trustee AS**  
as Bond Trustee



By: Jørgen Andersen

Position: Authorised Signatory

## Attachment 1

## COMPLIANCE CERTIFICATE

Nordic Trustee AS  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10

E-mail: mail@trustee.no

[●]

Dear Sirs,

**OCEAN YIELD ASA BOND ISSUE 2018/2023 – ISIN NO 001 0823214**

We refer to the Bond Agreement for the above mentioned Bond Issue made between Nordic Trustee AS 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 13.2.2 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 paragraph (h) of Clause 13.5 (*Preservation of equity and financial covenants*), we hereby report the following figures as of [END-DATE OF REPORTING PERIOD]:
  - (a) Equity Ratio:
  - (b) Liquidity:
  - (c) [Interest Coverage Ratio:]

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

Yours faithfully,

OCEAN YIELD ASA

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*Name of authorized person*

Enclosure: [copy of any written documentation]