



COLOR GROUP AS

FRN Color Group AS Senior Unsecured Guaranteed Open Bond Issue 2018/2023

ISIN NO 0010837214

The date of this Securities Note is 17 December 2018.

IMPORTANT INFORMATION

This Securities Note has been prepared in connection with listing of the Bonds on Oslo Børs. This Securities Note is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the “**Norwegian FSA**”). The Securities Note has been reviewed and approved by the Norwegian FSA on 17 December 2018 in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the “**Prospectus Directive**”) as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereafter “**EC Regulation 809/2004**”). This Securities Note has been prepared solely in the English language. The Norwegian FSA has not verified or approved the accuracy or completeness of the information included in this Securities Note. The approval given 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 verification or approval relating to corporate matters described in or referred to in this Securities Note. New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

Only the Issuer 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 other jurisdictions, the distribution of the Securities Note may be limited by law, for example in Canada, Japan and in the United Kingdom. Verification and approval of the Securities Note by the Norwegian FSA implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Issuer 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 contact of the Securities Note does not constitute legal, financial or tax advice and bondholders should seek legal, financial and/or tax advice.

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

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

This Securities Note should be read together with the Registration Document dated 25 June 2018 and Summary dated 17 December 2018. The documents together constitute a prospectus (the “**Prospectus**”).

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1. RISK FACTORS

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The information in this Section is as of the date of this Securities Note.

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Please refer to the Registration Document dated 25 June 2018 for a listing of Issuer specific risk factors.

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 a bond issue is unable to identify interested trading partners. Lack of demand of the Bonds may incur a loss on the bondholder.

Interest rate risk is the risk borne by a bond issue due to variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the applicable 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 a bond issue does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds. The Bonds in this Bond Issue are already issued and settled.

Credit risk is the risk that the issuer of bonds fails to make the required payments under the Issue (either principal or interest).

Market risk is the risk that the value of the bond issue 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 issuer's 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.

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

2. PERSONS RESPONSIBLE

2.1 Persons responsible for the information

Persons responsible for the information contained in this Prospectus:

Color Group AS
Bryggegate 3
0250 Oslo
Norway

2.2 Declaration by persons responsible

Color Group AS confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 17 December 2018

Color Group AS

3. INFORMATION CONCERNING THE SECURITIES

ISIN code:	NO 0010837214
The Issue:	FRN Color Group AS Senior Unsecured Guaranteed Bond Issue 2018/2023
Issuer:	Color Group AS (a company existing under the laws of Norway with registration number 958 815 018 and LEI-code: 5967007LIEEXZX8PUW90).
Guarantor:	Color Line AS (a company existing under the laws of Norway with registration number 970 903 968).
Security Type:	Bond issue with floating rate.
Maximum Principal Amount:	NOK 1,000 million
First Tranche:	NOK 900 million.
Denomination - Each Bond:	NOK 500,000 - each of them ranking <i>pari passu</i> between themselves.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Issue Date:	23 November 2018
Interest Accrual Date:	Issue Date
Interest Bearing to:	Maturity Date
Maturity Date:	23 November 2023
Interest Rate/Floating Rate:	3 months' NIBOR + Margin
Margin:	3.20 percentage point per annum
Current Rate:	4.42%
Bond Reference Rate:	3 months' NIBOR
Interest Payment Date:	23 February, 23 May, 23 August and 23 November each year and the Maturity Date. Any adjustments made according to the Business Day Convention. 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”). 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. The applicable Floating Rate on the Bonds is set/reset on each Interest Payment Date by the Bond Trustee commencing on the Interest Payment Date at the beginning of the relevant calculation period, based on the Bond Reference Rate two Business Days

	preceding that Interest Payment Date.
NIBOR:	The interest rate which (a) is published on Reuters Screen NIBOR Page (or through another system or on another website replacing the said system or website respectively) approximately 12.00 noon (on days on which the Norwegian money market has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday), the data published by the banks at 10 a.m. shall be used), or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of Norwegian commercial banks on the interbank market in Oslo or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the Bond Trustee's determination is equal to what is offered by Norwegian commercial banks, for the applicable period in the Oslo interbank market. If any such rate is below zero, NIBOR will be deemed to be zero.
Floating Rate Day Count Fraction:	Actual/360
Business Day Convention:	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 (<i>Modified Following Business Day Convention</i>).
Issue Price:	100 % (par value)
Yield:	Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). As the Bonds have a floating reference rate, it is the market's expectations of risk premium, i.e. margin that affects the price. If the price has increased, the yield for the purchaser in the secondary market, given that the reference rate does not change, will be lower than the interest rate of the Bonds and vice versa. At par and under an assumption that the reference rate is constant at 1.07 % from the issue date to maturity date, the yield will be 4.27%.
Business Day:	Means any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo.
Maturity:	The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.
Redemption:	Matured interest and matured principal will be paid by crediting the bank accounts nominated by each Bondholder in connection with its securities account in the Securities Depository. 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, pt 3 years for interest rates and 10 years for principal.
Status of the Bonds and Security:	The Bonds shall be senior debt, and rank at least <i>pari passu</i> with all other senior obligations of the Issuer other than obligations which are mandatory preferred by law. The Bonds shall rank ahead of subordinated capital. The Bonds are secured by the Guarantee.
Guarantee:	An unconditional and irrevocable guarantee (<i>Nw.: Selvskyldnerkausjon</i>) from the Guarantor securing the Issuer's obligations under the Bond Agreement and any other Finance Documents, including interest, cost and expenses. The Guarantee is limited to NOK 1,000,000,000 plus interest and costs in accordance with the Bond Agreement. The Guarantee is a continuing guarantee and shall extend to the ultimate balance of sums payable by the Issuer under the Bond Agreement.

	The Guarantee is attached to this Securities Note.
Covenants:	Covenants apply to the Issuer, for more information please see the Bond Agreement clause 13. Covenants apply the Guarantor, for more information please see the Bond Agreement clause 13.5.
Special covenants:	a) Negative Pledge The Issuer shall ensure that neither the Issuer nor any member of the Group creates or permits to subsist any mortgage, charge, pledge, lien or any other form of encumbrance upon its or any of its subsidiaries' existing or future assets or grant any guarantees or indemnity for an amount exceeding 60% of the Group's consolidated Total Assets. b) Minimum Book Equity The Issuer shall, on a consolidated basis for the Group, maintain a Book Equity of minimum NOK 1,000 million. The Issuer undertakes to be in compliance with this financial covenant at all times, such compliance to be measured on each semi-annual date.
Events of Default:	Means the occurrence of an event or circumstance specified in the Bond Agreement clause 15.
Purpose and Utilization:	The net proceeds of the Bonds shall be applied towards general corporate purposes.
Approvals:	The Bonds were issued in accordance with the Issuer's Board approval dated 11 September 2018.
Listing:	An application will be made for the Bonds to be listed on Oslo Børs.
Bond Agreement:	The Bond Agreement has been entered into between the Issuer and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relation to the Bond Issue. The Trustee is party to 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. Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond Agreement clause 16. Information regarding the role of the Bond Trustee, see Bond Agreement clause 17. The Bond Agreement is attached to this Securities Note.
Documentation:	The Registration Document, Securities Note, Summary, Bond Agreement and the Guarantee dated 20 November 2018.
Availability of the Documentation:	www.colorline.no
Trustee:	Nordic Trustee AS, Haakon VII's gate 5, 0161 Oslo, Norway.
Joint Lead Managers:	Arctic Securities AS, Haakon VII's gate 5, 0161 Oslo, Norway; Danske Bank, Norwegian Branch, Bryggetorget 4, 0250 Oslo, Norway DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, 0191 Oslo, Norway; Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, Norway; and Skandinaviska Enskilda Banken AB (publ), Filipstad Brygge 1, 0252 Oslo, Norway.

Paying Agent:	Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, Norway.
Calculation Agent:	Nordic Trustee AS, Haakon VII's gate 5, 0161 Oslo, Norway.
Listing Agent:	Advokatfirmaet BAHR AS, Tjuvholmen allé 16, 0252 Oslo, Norway.
Securities Depository:	The Norwegian Central Securities Depository (Nw. <i>Verdipapirsentralen ASA</i>) ("VPS"), Fred. Olsens gate 1, 0152 Oslo, Norway.
Market-Making:	No market-maker agreement has been made for the Bond Issue.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Issuer shall pay any stamp duty and other public fees in connection with the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law. Tax deduction and withholding tax shall be subject to standard gross-up and call provisions.
Fees:	Prospectus fee (FSA): NOK 16,000 Listing fee 2018 (Oslo Børs): NOK 38,420 Registration fee (Oslo Børs): NOK 11,800 Listing Agent: NOK 100,000 Nordic Trustee: NOK 115,000 Managers: NOK 11,070,000

4. MATERIAL CHANGES AND RECENT DEVELOPMENTS

For more information relating to the Issuer, please consult the registration document dated 25 June 2018, available at the Issuer's website <https://www.colorline.no/om-oss/finans> (the "Registration Document"). The information in this section addresses material changes and recent developments in the period between the date of the Registration Document and the date of this Prospectus.

4.1 KLAS Transaction

On 5 June 2018, Color Line Transport AS, an indirectly wholly-owned subsidiary of the Company, entered into an agreement with ONS Ship Finance AS ("ONS Ship Finance") regarding the acquisition of 100% of the shares in Kristiansand Line AS ("KLAS"), the owner of M/S SuperSpeed 1, for a purchase price of NOK 580 million (the "KLAS Transaction"). The Guarantor owns 38.6% of the shares in ONS Ship Finance, while the remaining 61.4% are owned by O.N. Sunde AS, the Company's ultimate parent.

4.2 SuperSpeed 1 Refinancing

On 29 June 2018 the Issuer entered into a NOK 650 million facility agreement and an associated first priority mortgage over M/S SuperSpeed 1 (the "SuperSpeed 1 Refinancing"). The drawn tranche of the new facility will re-finance the existing loan facility due in 2019, under which NOK 510 million is currently outstanding. The re-payment profile of the new facility is 15 years.

4.3 Purchase of MV Finncarrier

In July 2018, the Group entered into an agreement to purchase the rolling cargo vessel MV Finncarrier and charter the vessel back to the seller until the first week of January 2019. The purchase price was EUR 15 million and the charter hire is in accordance with market terms. Following the end of the charter hire, the vessel will be put into service alongside M/S Color Magic and M/S Color Fantasy between Oslo and Kiel. The vessel will strengthen the Group's market share in the freight market.

MV Finncarrier

Cargo vessel travelling Oslo - Kiel

Register: FIN

Home port: Helsinki

Tonnage: 12,433 GrT

Length: 155.0 m

Width: 23.0 m

Cruise speed: 20 knots

Trailers: 1,775 lane meters

Owner: Color Line Transport AS

4.4 Re-financing of M/S Color Magic

On 10 December 2018, the Issuer entered into a new 5-year NOK 1,200 million revolving credit facility agreement in respect of the vessel M/S Color Magic (the "Color Magic Refinancing"). The loan is secured with a first priority mortgage in the vessel and includes similar covenants as the Group's other vessel mortgages loans. The first drawn tranche will be used to re-finance the existing loan facility due in September 2019, of approximately NOK 500 million.

4.5 No Material Changes or Recent Developments

Other than the transactions described in Sections 4.1 to 4.4 above, there has been no significant change in the Group's financial and trading position since the end of the last financial period for which audited financial information has been published. There has been no material adverse change in the prospects of the Issuer or the Guarantor since the date of their last published audited financial statements.

5. DEFINITIONS

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

Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, taken together.
Book Equity	The aggregate book value (on a consolidated basis) of the Group's total equity treated as equity in accordance with IFRS, as set out in the most recent Financial Statements of the Issuer
Bonds	The debt instruments issued by the Issuer pursuant to the Bond Agreement.
Bond Agreement	The agreement entered into between Color Group AS and Nordic Trustee AS (on behalf of the Bondholders) regarding the Bond Issue
Bond Issue.....	The bond issue constituted by the Bonds.
Bondholder.....	A holder of Bonds.
EC Regulation 809/2004	The Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the format, incorporation by reference and publication of prospectuses and dissemination of advertisements, as amended.
Finance Documents.....	Means (i) the Bond Agreement, (ii) the fee letter between the Bond Trustee and the Issuer, (iii) the Guarantee, and (iv) any other document (whether creating Security or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under the Bond Agreement.
Financial Statements	The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2017 and 31 December 2016 and the Guarantor's audited financial statements as of and for the years ended 31 December 2017 and 31 December 2016
Group.....	The Company together with its consolidated subsidiaries.
Guarantor	Color Line AS
IFRS	International Financial Reporting Standards as adopted by the EU.
Issue	The Bond Issue
Issuer	Color Group AS
Joint Lead Managers.....	Arctic Securities AS, Danske Bank, Norwegian branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp, filial i Norge and Skandinaviska Enskilda Banken AB (publ), Oslo branch.
Listing	The listing of the Bonds on Oslo Stock Exchange.
Managers	The Joint Lead Managers.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. <i>Finanstilsynet</i>)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
Oslo Stock Exchange.....	Oslo Børs (a stock exchange operated by Oslo Børs ASA).
p.a.	Per annum.
Prospectus	This Securities Note together with the Registration Document and the Summary for the Bond Issue.
Prospectus Directive.....	Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, regarding information contained in prospectuses.
Security	Any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Registration Document.....	Means the registration document for the Issuer, dated 25 June 2018.
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive.
Total Assets.....	On any date, the aggregate book value (on a consolidated basis) of those assets which according to IFRS should be included as assets in the balance sheet, as set out in the then most recent Financial Statements of the Issuer
VPS	The Norwegian Central Securities Depository (Nw. <i>Verdipapirsentralen</i>).

6. ADDITIONAL INFORMATION

6.1 The Issuer

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

The Issuer has mandated Arctic Securities AS, Danske Bank, Norwegian Branch DNB Bank ASA, DNB Markets, Nordea Bank Abp, filial i Norge and Skandinaviska Enskilda Banken AS (publ.), Oslo Branch as Joint Lead Managers for the Bond Issue. The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Issue.

The Joint Lead Managers and/or any of their 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 this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance departments may act as manager or co-manager for the Issuer in private and/or public placement and/or resale not publicly available or commonly known.

6.2 Statement from the Listing Agent

Advokatfirmaet BAHR AS is acting as legal adviser to the Issuer in connection with the Listing and has assisted in preparing this Securities Note as Listing Agent. The involved persons at the Listing Agent have no interest, nor conflicting interests that are material to the Bond Issue. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent or on any person affiliated with it, in connection with its investigation of the accuracy of such information or its investment decision.

ISIN NO0010837214

BOND AGREEMENT

between

Color Group AS
(Issuer)

and

Nordic Trustee AS
(Bond Trustee)

on behalf of

the Bondholders

in the bond issue

FRN Color Group AS Senior Unsecured Guaranteed Bond Issue 2018/2023

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This agreement has been entered into on 20 November 2018 between

- (1) Color Group AS (a company existing under the laws of Norway with registration number 958 815 018 and LEI-code: 5967007LIEEXZX8PUW90) as issuer (the “**Issuer**”), and
- (2) Nordic Trustee AS (a company existing under the laws of Norway with registration number 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:

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

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

“**Bond Agreement**” means this bond agreement, including any Attachments to it, each as amended from time to time.

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

“**Bond Reference Rate**” means three 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 out in Clause 16.

“**Bonds**” means the debt instruments issued by the Issuer pursuant to this Bond Agreement.

“**Book Equity**” means the aggregate book value (on a consolidated basis) of the Group’s total equity treated as equity in accordance with IFRS, as set out in the then most recent Financial Statements (or, as applicable, the most recent Semi-annual Accounts) of the Issuer.

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

“**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*).

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

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

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.

“Defeasance Pledge” shall have the meaning given to it in Clause 18.2.

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

“Exchange” means (i) a securities exchange or other reputable regulated market, or (ii) Oslo Børs ASA’s Nordic ABM, on which the Bonds are listed, or where the Issuer has applied for listing of the Bonds.

“Face Value” means the denomination of each of the Bonds, as set out in Clause 2.2.

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

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) 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;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) 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

- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

“Financial Statements” means the audited unconsolidated and consolidated annual 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.

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

“Group” means the Issuer and its Subsidiaries, and a **“Group Company”** means the Issuer or any of its Subsidiaries.

“Guarantee” means an unconditional and irrevocable guarantee (Norwegian: *Selvskyldnerkausjon*) from the Guarantor securing the Issuer’s obligations under this Bond Agreement and any other Finance Document, including interest, costs and expenses.

“Guarantor” means Color Line AS, a limited liability company existing under the laws of Norway, with company registration number 970 903 968.

“Interest Payment Date” means 23 February, 23 May, 23 August and 23 November each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

“Semi-annual Accounts” means the unaudited unconsolidated and consolidated semi-annual financial statements of the Issuer for any half year ending on the Semi-annual Date (as per first half year), drawn up according to IFRS.

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

“Issue Date” means 23 November 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.

“Manager” mean the managers for the Bond Issue, being Arctic Securities AS, Danske Bank, Norwegian Branch, DNB Bank ASA - DNB Markets, Nordea Bank Abp, filial i Norge, and Skandinaviska Enskilda Banken AB (publ).

“Margin” means 3.20 per cent. (3.20%) per annum.

“Material Adverse Effect” means an event or a circumstance which has a material adverse effect on: (a) the business, financial condition or operations of the Issuer, the Guarantor or the Group (taken as a whole), (b) the Issuer’s or the Guarantor’s ability to perform and comply with its obligations under any of the Finance Documents; or (c) the validity or enforceability of any of the Finance Documents (including the Guarantee).

“Maturity Date” means 23 November 2023. Any adjustment will be made according to the Business Day Convention.

“NIBOR” means the interest rate which (a) is published on Reuters Screen NIBR Page (or through another system or on another website replacing the said system or website respectively) approximately 12.00 noon (on days on which the Norwegian money market has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published by the banks at 10 a.m. shall be used), or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of Norwegian commercial banks on the interbank market in Oslo or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the Bond Trustee’s determination is equal to what is offered by Norwegian commercial banks, for the applicable period in the Oslo interbank market. If any such rate is below zero, NIBOR will be deemed to be zero.

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

“Obligors” means the Issuer and the Guarantor.

“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 acts as its paying agent in the Securities Registry with respect to the Bonds.

“Payment Date” means a date for payment of principal or interest under this Bond Agreement.

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

“Security Agent” means the Bond Trustee in its capacity as security agent and/or security trustee pursuant to Clause 17.4.

“Security” means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security and Covenant Defeasance” shall have the meaning given to it in Clause 18.2.

“Semi-annual Date” means each 30 June.

“**Stamdata**” means the web site www.stamdata.no, maintained by the Bond Trustee.

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

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

“**Total Assets**” means, on any date, the aggregate book value (on a consolidated basis) of those assets which according to IFRS should be included as assets in the balance sheet, as set out in the then most recent Financial Statements (or, as applicable, the most recent Semi-annual Accounts) of the Issuer.

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

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

1.2 *Construction*

In this Bond Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;
- (e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) an Event of Default is “**continuing**” if it has not been remedied or waived; and
- (g) references to a “**person**” shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

2 **The Bonds**

2.1 *Binding nature of this 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.

- 2.1.2 This Bond Agreement is available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that this 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 Bonds in the maximum amount of NOK 1,000,000,000 (Norwegian kroner one billion). The Bond Issue may comprise one or more tranches issued on different issue dates. The first tranche will be in the amount of NOK 900,000,000 (Norwegian kroner nine hundred million).

The Face Value is NOK 500,000. The Bonds shall rank *pari passu* between themselves.

The Bond Issue will be described as “FRN Color Group AS Senior Unsecured Guaranteed Bond Issue 2018/2023”.

The ISIN of the Bond Issue will be NO0010837214.

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

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

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

2.3 *Purpose and utilization*

The net proceeds of the Bonds shall be applied towards general corporate purposes.

3 **Listing**

- 3.1 An application will be made for the Bonds to be listed on Oslo Børs ASA.
- 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 Norwegian Securities Depository Act (Act 2002/64) 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.

5 **Purchase and transfer of Bonds**

- 5.1 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 applicable local laws and regulations at its own cost and expense.
- 5.2 Notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under this Bond Agreement.

6 **Conditions Precedent**

- 6.1 Disbursement of the net proceeds of the Bonds to the Issuer will be subject to the Bond Trustee having received the documents listed below, in form and substance satisfactory to it, at least two Business Days prior to the Issue Date:
- (a) this Bond Agreement, duly executed by all parties thereto;
 - (b) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents;
 - (c) a power of attorney from the Issuer to relevant individuals for their execution of the relevant Finance Documents, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute the Finance Documents on behalf of the Issuer;
 - (d) certified copies of (i) the Certificate of Incorporation or other similar official document for the Issuer, evidencing that it is validly registered and existing and (ii) the Articles of Association of the Issuer;
 - (e) the Issuer's latest Financial Statements;
 - (f) confirmation from the Manager that the requirements set out in Chapter 7 of the Norwegian Securities Trading Act (implementing the EU prospectus directive (2003/71 EC) concerning prospectuses have been fulfilled;
 - (g) to the extent necessary, any public authorisations required for the Bond Issue;
 - (h) confirmation from the Paying Agent that the Bonds have been registered in the Securities Depository;
 - (i) the Bond Trustee fee agreement set out 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 Manager in connection with the Bond Issue;
- (k) any statements or legal opinions reasonably required by the Bond Trustee (including any capacity corporate opinions for each Obligor and opinions related to the validity, perfection and enforceability of the Finance Documents); and
- (l) the Guarantee duly executed.

The documents listed in items (b), (c) and (d) and above shall also be delivered by each other Obligor.

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

7 Representations and Warranties

- 7.1 The Issuer and the Guarantor represent and warrant to the Bond Trustee that:

- (a) *Status*

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

- (b) *Power and authority*

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

(c) *Valid, binding and enforceable obligations*

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

(d) *Non-conflict with other obligations*

The entry into and performance by it of this 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 law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

(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) *Authorizations and consents*

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations 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 Financial Statements and Semi-annual 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.

(i) No Material Adverse Effect

Since the date of the Financial Statements, there has been no change in its business, assets or financial condition 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) No withholdings

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

(l) Pari passu ranking

Its 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.

(m) Security

No Security exists 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 and security**

- 8.1 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 The Bonds are secured by the Guarantee.

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 falling in February 2019.

- 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 (“**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 divided by 360.
- 9.5 The applicable Floating Rate on the Bonds is set/reset on each Interest Payment Date by the Bond Trustee commencing on the Interest Payment Date at the beginning of the relevant calculation period, based on the Bond Reference Rate two Business Days preceding that Interest Payment Date.

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

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

$$\begin{array}{ccccccc} \text{Interest} & = & \text{Face} & \times & \text{Floating} & \times & \text{Floating Rate} \\ \text{Amount} & & \text{Value} & & \text{Rate} & & \text{Day} \\ \text{Fraction} & & & & & & \text{Count} \end{array}$$

10 **Maturity of the Bonds and Redemption**

10.1 *Maturity*

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

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.
- 11.2.3 In case of irregular payments, the Bond Trustee may instruct the any Obligor 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, 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, the Bondholder has not given instruction as set out in Clause 11.3 within five Business Days prior to a Payment Date, the cash settlement will be exchanged into NOK and credited to the NOK bank account registered with the 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*
- No Obligor may 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 shall bear interest from the due date at an interest rate equivalent to the interest rate according to Clause 9 plus five per cent. (5.00%) 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 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) first, 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 holding of Bonds may at the Issuer's discretion be retained by the Issuer, sold or discharged.

13 **Covenants**

13.1 *General*

- 13.1.1 The Issuer undertakes from the date of this Bond Agreement and until such time that no amounts are outstanding under this Bond Agreement or any other Finance Document, to the Bond Trustee, as further set out in this Clause 13.

13.2 *Information Covenants*

13.2.1 The Issuer shall:

- (a) without being requested to do so, promptly inform the Bond Trustee in writing of any Event of Default, any event or circumstance which the Issuer understands or ought to understand may lead to an Event of Default and any other event which may have a Material Adverse Effect;
- (b) without being requested to do so, inform the Bond Trustee in writing if the Issuer agrees to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (c) without being requested to do so, prepare Financial Statements and make them available to the Bond Trustee (or via the distribution system at the Exchange as long as the Bonds are listed) and on its website in the English

language as soon as they become available, and not later than 120 days after the end of the financial year;

- (d) without being requested to do so, prepare Semi-annual Accounts and make them available to the Bond Trustee (or via the distribution system at the Exchange as long as the Bond are listed) and on its website in the English language as soon as they become available, and not later than 60 days after the end of the relevant half year;
- (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 the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer'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) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Depository; and
- (i) 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 The Issuer shall in connection with the publication of its financial reports under Clause 13.2.1(c) and (d), confirm to the Bond Trustee in writing the Issuer's compliance with the covenants in this Clause 13, unless the Bond Trustee explicitly waives such requirement. Such confirmation shall be undertaken in a certificate, substantially in the form set out in Attachment 1 hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a "**Compliance Certificate**"). 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 shall ensure that its obligations under this Bond Agreement and any other Finance Document shall at all times rank at least *pari passu* as set out in Clause 8.1.

(b) *Mergers*

The Issuer shall not carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.

(c) De-mergers

The Issuer shall not carry out any de-merger or other corporate reorganization involving a splitting the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

(d) Continuation of business

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

(e) Disposal of business

The Issuer shall not 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 would not have a Material Adverse Effect.

(f) 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 and for fair market value.

(g) Corporate status

The Issuer shall not change its type of organization (other than to a public limited company) or jurisdiction of incorporation.

(h) Compliance with laws

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

13.4 *Special covenants**(a) Minimum Book Equity*

The Issuer shall, on a consolidated basis for the Group, maintain a Book Equity of minimum NOK 1,000 million. The Issuer undertakes to be in compliance with this financial covenant at all times, such compliance to be measured on each Semi-annual Date and certified by the Issuer in accordance with Clause 13.2.2.

(b) Negative pledge

The Issuer shall ensure that neither the Issuer nor any member of the Group creates or permits to subsist any mortgage, charge, pledge, lien or any other form of encumbrance upon its or any of its Subsidiaries' existing or future assets or grant any

guarantees or indemnity for an amount exceeding 60% of the Group's consolidated Total Assets.

13.5 *Covenants regarding the Guarantor*

(a) Pari passu ranking

The Issuer shall ensure that the obligations of the Guarantor under any Finance Document to which it is a party shall at all times rank at least *pari passu* with all other obligations of the Guarantor (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.

(b) Continuation of business

The Issuer shall ensure that the Guarantor shall not cease to carry on its business, and that no substantial change is made to the general nature or scope of the business of the Guarantor from the date of this Bond Agreement, and/or as set out in this Bond Agreement.

(c) Disposal of business

The Issuer shall ensure that the Guarantor shall not sell or otherwise dispose of all or a substantial part of such Guarantor's assets or operations, unless:

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

(d) Arm's length transactions

The Issuer shall ensure that no Guarantor shall enter into any transaction with any person except on arm's length terms and for fair market value.

(e) Corporate status

The Issuer shall ensure that no Guarantor shall change its type of organization or jurisdiction of incorporation.

(f) Compliance with laws

The Issuer shall ensure that the Guarantor shall carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time.

14 **Fees and expenses**

- 14.1 The Issuer shall cover all costs and expenses incurred by it or the Bond Trustee (and/or the Security Agent) 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 any Obligor 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 (and/or the Security Agent) shall be paid by the Issuer and are set out in a separate agreement between the Issuer and the Bond Trustee (and/or the Security Agent).
- 14.3 Fees, costs and expenses payable to the Bond Trustee (or the Security Agent) 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 (or the Security Agent) in connection with the restructuring or default of the Bond Issue and the enforcement of any Security.
- 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 Bond Trustee may declare the Bonds to be in default upon occurrence of any of the following events:

- (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

likely that such payment will be made in full within five Business Days following the original due date.

(b) Breach of other obligations

Any Obligor does not comply with any provision pursuant to this Bond Agreement or any other Finance Document, unless, in the opinion of the Bond Trustee, such failure is capable of being remedied and is remedied within ten Business Days after notice thereof is given to the Issuer by the Bond Trustee.

(c) Cross default

If for any Obligor:

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

always provided that a threshold in the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above of the highest of NOK 10 million or 1% of the Issuer's Book Equity (from the latest audited accounts), or the equivalent thereof in other currencies, shall apply.

(d) Misrepresentations

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

(e) Insolvency

- (i) Any Obligor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (ii) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities)
- (iii) A moratorium is declared in respect of any indebtedness of any member of the Group

(f) *Insolvency proceedings and dissolution*

If for any Obligor, any corporate action, legal proceedings or other procedure step is taken in relation to:

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

or any analogous procedure or step is taken in any jurisdiction.

(g) *Creditors' process*

Any Obligor has a substantial proportion of the assets impounded, confiscated, attached or subject to distraint, or is subject to enforcement of any Security over any of its assets.

(h) *Impossibility or illegality*

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

(i) *Material Adverse Change*

Any other event or circumstance occurs which, in the reasonable opinion of the Bond Trustee, after consultations with the Issuer, would have a Material Adverse Effect.

- 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, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under this 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 immediate 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 take every measure necessary to recover the amounts due under the Outstanding Bonds.

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

16 **Bondholders' Meeting**

16.1 *Authority of the Bondholders' Meeting*

- 16.1.1 The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds, 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 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 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. 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 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 that 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 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 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 amount set out in Clause 2.2. 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. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.

17.3.2 The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 14, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach 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 The Bond Trustee is appointed to act as Security Agent for the Bond Issue.

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.

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

17.4.2 The functions, rights and obligations of the Security Agent may be determined by a Security Agent agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other 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.

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*

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, and may not themselves institute legal proceedings against, the Issuer, guarantors or any other third party based on claims derived from the Finance Documents, including but not limited to recover the Bonds, enforcing any Security Interest or pursuing claims against any party as a substitute for damages to the interests under the Finance Documents, regardless of claims being pursued on a contractual or non-contractual basis, 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 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 each Obligor 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 (vii) 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) all Obligors shall be released from their obligations under all provisions in Clause 13, except Clauses 13.2.1(a), (e), (h) and (i), 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 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 to remain valid, enforceable and perfected by the Bond Trustee for the account of the Bondholders;
- (c) the Guarantor shall be discharged from their obligations under the Guarantee, and the Guarantee shall cease to have any legal effect, or as otherwise agreed;
- (d) any Security 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; and
- (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*

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*

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

18.6 *Notices, contact information*

18.6.1 Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Depository with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at Stamdata only. 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 any Obligor 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*

- 18.7.1 This Bond Agreement and all disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and any Obligor, shall be governed by Norwegian law.
- 18.7.2 All disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and any Obligor, shall, subject to paragraph c) below, be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.
- 18.7.3 Clause 18.7.2 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.

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

Issuer

By:
Position:


Christian Arnt
(Fin ch) Director

Bond Trustee

By: Morten S. Bredeesen
Position: P.P.

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@nordictrustee.com

[date]

Dear Sirs,

FRN Color Group AS Senior Unsecured Open Bond Issue 2018/2023 – ISIN NO NO0010837214

We refer to the Bond Agreement for the abovementioned 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 terms used herein shall have the same meaning as in this 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. all relevant Security is established in accordance with this Bond Agreement,
4. in accordance with Clause 13.4 litra a), the Book Equity as of [date] is XX.

Copies of our latest consolidated [Financial Statements] / [Semi-annual Accounts] are enclosed.

Yours faithfully,

Color Group AS

Name of authorized person

Enclosure: [copy of any written documentation]

GUARANTEE

THIS GUARANTEE (the "**Guarantee**") is made this 20 day of November 2018

by:

- (1) COLOR LINE AS with enterprise no. 970 903 968 and LEI-code: 5967007LIEEXZX8PUW90 (the "**Guarantor**")

in favour of:

- (2) Nordic Trustee AS with enterprise no. 963 342624 (the "**Bond Trustee**")

WHEREAS

- (A) Pursuant to a bond agreement (the "**Bond Agreement**") dated 20 November 2018 and made between Color Group AS (the "**Issuer**") and the Bond Trustee, the parties have agreed on the terms of a bond issue denominated "FRN Color Group AS Senior Unsecured Guaranteed Bond Issue 2018/2023" with ISIN: NO0010837214 (Appendix 1);
- (B) The execution of this Guarantee is a condition under the terms of the Bond Agreement for the issue of the Bonds (as defined in the Bond Agreement);
- (C) In connection therewith, the Guarantor has been provided with and reviewed a copy of the Bond Agreement and has agreed to provide this guarantee which is an independent, unconditional and irrevocable corporate guarantee (Nw: selvskyldnerkausjon) (the "Guarantee").

NOW THEREFORE, it is hereby agreed:

1. GUARANTEE AND INDEMNITY

The Guarantor hereby unconditionally and irrevocably:

- (a) guarantees to the Bond Trustee on behalf of the Bondholders the punctual performance by the Issuer of its obligations under the Bond Agreement;
- (b) undertakes with the Bond Trustee on behalf of the Bondholders that whenever the Issuer does not pay any amount when due under or in connection with the Bond Agreement, the Guarantor shall immediately on demand from the Bond Trustee pay that amount as if it was the principal obligor; and
- (c) agrees to indemnify the Bond Trustee and the Bondholders immediately on demand from the Bond Trustee in respect of any cost, loss or liability suffered by the Bond Trustee or the Bondholders if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will not exceed the amount which the Bond Trustee and the Bondholders would otherwise have been entitled to recover.

Considering the provisions of section 61 of the Norwegian Financial Contracts Act, this Guarantee is limited to NOK 1,000,000,000 plus interest and costs in accordance with the Bond Agreement.

2. CONTINUING GUARANTEE

This Guarantee is a continuing guarantee and shall extend to the ultimate balance of sums payable by the Issuer under the Bond Agreement, regardless of any intermediate payment or discharge in whole or in part.

3. REINSTATEMENT

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

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

4. COVENANTS UNDER THE BOND AGREEMENT

The Guarantor unconditionally and irrevocably confirm that the Guarantor shall at all times during the term of the Guarantee be in compliance with the following covenants in Clause 13.5 of the Bond Agreement;

“

1.1 *Covenants regarding the Guarantor*

(a) *Pari passu ranking*

The Issuer shall ensure that the obligations of the Guarantor under any Finance Document to which it is a party shall at all times rank at least *pari passu* with all other obligations of the Guarantor (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.

(b) *Continuation of business*

The Issuer shall ensure that the Guarantor shall not cease to carry on its business, and that no substantial change is made to the general nature or scope of the business of the Guarantor from the date of this Bond Agreement, and/or as set out in this Bond Agreement.

(c) *Disposal of business*

The Issuer shall ensure that the Guarantor shall not sell or otherwise dispose of all or a substantial part of such Guarantor's assets or operations, unless:

- (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and

(i) such transaction would not have a Material Adverse Effect.

(d) Arm's length transactions

The Issuer shall ensure that the Guarantor shall enter into any transaction with any person except on arm's length terms and for fair market value.

(e) Corporate status

The Issuer shall ensure that the Guarantor shall change its type of organization (other than to a public limited company) or jurisdiction of incorporation.

(f) Compliance with laws

The Issuer shall ensure that the Guarantor shall carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time".

5. WAIVER OF DEFENCES

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

- (a) any time, waiver or consent granted to, or composition with, the Issuer or other person;
- (b) the release of the Issuer or any other person under the terms of any composition or arrangement with any creditor of the Issuer;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the issuer or any other person;
- (e) any amendment (however fundamental) or replacement of the Bond Agreement or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the Bond Agreement or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) the provisions of sections 62 (1), 63, 65, 66, 67, 70, 71, 72, 73 and 74 of the Norwegian Financial Contracts Act.

6. IMMEDIATE RECOURSE

The Guarantor waives any right it may have of first requiring the Bond Trustee or any Bondholder to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor. This waiver applies irrespective of any law or any provision of the Bond Agreement to the contrary.

7. APPROPRIATIONS

Until all amounts which may be or become payable by the Issuer under or in connection with the Bond Agreement have been irrevocably paid in full, the Bond Trustee (or any agent on its behalf) may:

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

8. DEFERRAL OF GUARANTOR' RIGHTS

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

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

9. ADDITIONAL SECURITY

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

10. NOTICES

Any notice, demand or other communication under this Guarantee shall be made as set out in the Bond Agreement.

11. GOVERNING LAW AND JURISDICTION

This Guarantee shall be governed by and interpreted under Norwegian law with venue as set out in the Bond Agreement.

By: COLOR LINE AS

 (Christian Arndt)

Appendix 1: The Bond Agreement