

BOND TERMS

FOR

American Tanker, Inc.,

Senior Unsecured USD 220,000,000 Callable Bond Issue 2020/2025

ISIN NO 0010886336 / ISIN NO 0010886328

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS	16
3. THE BONDHOLDERS	18
4. ADMISSION TO LISTING	18
5. REGISTRATION OF THE BONDS	19
6. CONDITIONS FOR DISBURSEMENT.....	19
7. REPRESENTATIONS AND WARRANTIES	21
8. PAYMENTS IN RESPECT OF THE BONDS	23
9. INTEREST.....	27
10. REDEMPTION AND REPURCHASE OF BONDS	28
11. PURCHASE AND TRANSFER OF BONDS	30
12. GUARANTEE	31
13. INFORMATION UNDERTAKINGS	34
14. GENERAL AND FINANCIAL UNDERTAKINGS	36
15. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	40
16. BONDHOLDERS' DECISIONS	43
17. THE BOND TRUSTEE.....	48
18. AMENDMENTS AND WAIVERS	52
19. MISCELLANEOUS	53
20. GOVERNING LAW AND JURISDICTION.....	55
SCHEDULE 1 COMPLIANCE CERTIFICATE	58

BOND TERMS	
ISSUER:	American Tanker, Inc., a company existing under the laws of the State of Delaware, United States with registration number 3899715 and LEI-code 549300NF6T0U83EHY418; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
PARENT AND GUARANTOR:	American Shipping Company ASA, a company existing under the laws of Norway with registration number 988 228 397.
GUARANTOR:	American Tanker Holding Company, Inc., a company existing under the laws of the State of Delaware, United States with registration number 4636250.
DATED:	30 June 2020
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Acceptable Bank**” means a commercial bank, savings bank or trust company which has a rating of BBB or higher from Standard & Poor's Ratings Service or Baa2 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long-term debt obligations.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

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

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

“**Aker**” means Aker ASA, a company existing under the laws of Norway with registration number 886 581 432.

“**American Shipping Corporation**” means American Shipping Corporation, a company existing under the laws of the State of Delaware, United States with registration number 3953669.

“**American Tanker Holding Company**” means American Tanker Holding Company, Inc..

“**Annual Financial Statements**” means the unaudited, consolidated annual financial statements of the Issuer and the audited consolidated annual financial statements of the Parent (as applicable) for any financial year, prepared in accordance with GAAP, such financial statements to include an income statement, statement of financial position and cash flow statement (and with respect to the financial statements of the Parent, a report of the board of directors).

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

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

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

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

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

“**Bondholders' Meeting**” means a meeting of Bondholders as set out in Clause 16 (*Bondholders' Decisions*).

“**Bonds**” means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open, being Oslo and New York, respectively.

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

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Cash and Cash Equivalents” means on any date, the aggregate equivalent in USD on such date:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank;
- (b) of the then current market value of time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank; and
- (c) any available and undrawn amounts of a revolving credit facility provided on customary terms by an Acceptable Bank with a remaining committed tenor of not less than 6 months,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access.

“Change of Control Event” means:

- (a) if any person, or group of persons under the same Decisive Influence, or two or more persons acting in concert obtains Decisive Influence over the Parent, American Tanker Holding Company or the Issuer, other than Aker or its Affiliates or other parties acting in concert with Aker or its Affiliates; or
- (b) a De-Listing Event.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Compliance Certificate” means a statement substantially in the form as set out in Schedule 1 hereto.

“Compliance Period” shall have the meaning ascribed to such term in paragraph (a) of Clause 11.2 (*Restrictions*).

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

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

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

“Debt Service Coverage Ratio” means (for the Group on a consolidated basis) the ratio of Projected EBITDA to Projected Debt Service.

“Default Notice” means a written notice to the Issuer as described in Clause 15.2 (*Acceleration of the Bonds*).

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

“De-Listing Event” means a de-listing of the Parent’s shares from the Exchange that does not occur in connection with a listing of the Parent’s shares on another internationally recognized stock exchange, however so that if Aker or its Affiliates or other parties acting in concert with Aker or its Affiliates acquires 100 per cent. of the shares in the Parent, and following such acquisition the shares in the Parent are de-listed, such de-listing shall not constitute a De-Listing Event as long the Bonds are listed on a reputable exchange and remains listed until the Maturity Date.

“Distribution” shall have the meaning ascribed to such term in paragraph (a) of Clause 14.3 (*Parent’s special covenants*).

“Distribution Incurrence Test” means the test referred to in paragraph (a) of Clause 14.3 (*Parent’s special covenants*).

“DPO” means the claim the Issuer holds on OSG and its subsidiaries, referred to by the Group as the deferred principal obligation amounting to USD 25.3 million as at 31 December 2019.

“DPO Payments” means any payment received by the Issuer in connection with the DPO.

“Event of Default” means any of the events or circumstances specified in Clause 15.1 (*Events of Default*).

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

“Existing Bonds” shall have the meaning ascribed to such term in Clause 2.3 (*Use of proceeds*).

“Existing Senior Bank Facilities” means the (i) USD 160 million Secured Term Loan Facility Agreement dated 3 April 2020, (ii) the USD 145 million Loan and Security Agreement dated 9 April 2020 and (iii) the USD 90 million Loan and Security Agreement dated 28 October 2015, each as amended from time to time.

“Existing Vessel” means each of the vessels owned by a Group Company at the Issue Date, being each of Overseas Houston, Overseas Long Beach, Overseas Los Angeles, Overseas

New York, Overseas Texas City, Overseas Boston, Overseas Nikiski, Overseas Martinez, Overseas Anacortes and Overseas Tampa.

“Euroclear” means Euroclear Bank SA/NV.

“Finance Documents” means (i) these Bond Terms, (ii) the Bond Trustee Fee Agreement, (iii) any Guarantee, (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 these Bond Terms and (v) any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Financial Indebtedness” means, without duplication, any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (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, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (A) the primary reason behind entering into the agreement is to raise finance or (B) the

agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;

- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

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

“Financial Support” shall have the meaning ascribed to such term in paragraph (b) of Clause 14.2 (*Issuer’s special covenants*).

“First Call Date” means the Interest Payment Date falling 48 months after the Issue Date.

“First Call Price” shall have the meaning ascribed to such term in paragraph (a), (ii) of Clause 10.2 (*Voluntary early redemption – Call Option*)

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

“Government Bond Rate” means the interest rate of debt securities instruments issued by the United States Treasury on the day falling two Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to paragraph (c) of Clause 10.2 (*Voluntary early redemption - Call Option*).

“Group” means the Parent and all its Subsidiaries from time to time.

“Group Company” means each of the Parent and any of its Subsidiaries.

“Guarantor” means, the Parent and American Tanker Holding Company.

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

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

“Initial Nominal Amount” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:

- (a) suspends making payments on any of its debts generally; or

- (b) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU 2015/848) on insolvency proceedings (as amended from time to time).

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 2 January 2021 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 2 January and 2 July each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means 7.75 percentage points per annum.

“Interim Accounts” means the unaudited consolidated quarterly financial statements of the Issuer and the unaudited consolidated quarterly financial statements of the Parent (as applicable) for the quarterly periods ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with GAAP, such financial statements to include an income statement, statement of financial position and cash flow statement (and with respect to the financial statements of the Parent, management commentary).

“ISIN” means International Securities Identification Number.

“Issue Date” means 2 July 2020.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by any Obligor or any Affiliate of an Obligor.

“Jones Act” means, collectively, the laws principally contained in 46 U.S.C. § 50501 and 46 U.S.C. Chapter 551 that impose certain restrictions on ownership and operation of vessels in the Jones Act Trade.

“Jones Act Trade” means, the United States domestic coastwise trade (marine transportation of cargo and passengers between points in the United States).

“Listing Failure Event” means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within 12 months following the Issue Date,
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange, or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange which the other Bonds are listed within 6 months following the issue date for such Temporary Bonds.

“**Liquidity**” means the aggregate of the Cash and Cash Equivalents.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the First Call Price as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date, to the First Call Date,

where the present value shall be calculated by using a discount rate of 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macauley duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).

“**Manager**” means each of:

- (a) Arctic Securities AS, Haakon VII's gate 5, NO-0123 Oslo, Norway;
- (b) Clarksons Platou Securities AS, Munkedamsveien 62 C, NO-0270 Oslo, Norway;
- (c) Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway; and
- (d) Skandinaviska Enskilda Banken AB (publ), Oslo Branch, Filipstad Brygge 1, NO-0252 Oslo, Norway.

“**Mandatory Prepayment Date**” means the settlement date for the Issuer’s payment of the Redemption Amount pursuant to Clause 10.4 (*Early redemption due to a Mandatory Prepayment Event*).

“**Mandatory Prepayment Event**” means:

- (a) the occurrence of a Vessel Disposal Event; or
- (b) the occurrence of a Total Loss Event.

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

- (a) any of the Obligors’ ability to perform and comply with its obligations under any Finance Document to which it is party; or
- (b) the validity or enforceability of any of the Finance Documents.

“**Material Regulatory Event**” means an event where the Jones Act is repealed or substantially modified in a manner that could reasonably be expected to have a Material Adverse Effect.

“**Maturity Date**” means 2 July 2025, adjusted according to the Business Day Convention.

“Minimum Liquidity” shall mean the amount of required minimum Cash and Cash Equivalents pursuant to paragraph (a) of Clause 14.4 (*Financial covenants*).

“New Senior Bank Facilities” means any refinancing of any Existing Senior Bank Facility provided by one or more of the Senior Finance Parties, other commercial banks, credit funds or financial institutions or by way of a capital market debt instrument.

“New Vessel Financing” shall have the meaning ascribed to such term in paragraph (e) of Clause 14.2 (*Issuer’s special covenants*).

“Nominal Amount” means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 10 (*Redemption and repurchase of Bonds*), or any other amount following a split of Bonds pursuant to Clause 17.2 (*The duties and authority of the Bond Trustee*), paragraph (j).

“Obligor” means the Issuer and any Guarantors.

“OSG” means Overseas Shipholding Group Inc., a company existing under the laws of the State of Delaware, United States with registration number 721412.

“OSG Credit” means the non-recourse amount owing by the Issuer to OSG in connection with the restructuring of the Group that occurred in December 2009, having a PIK interest rate of 9.5 per cent. p.a. of which USD 6.5 million was outstanding as at 31 December 2019, and which may be recovered by OSG only from Profit Share payable to the Issuer under the Profit Sharing Agreement, dated as of December 11, 2009, among the Issuer, OSG and OSG America, L.P., as amended from time to time.

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

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

“Partial Payment” shall have the meaning ascribed to such term in paragraph (a) of Clause 8.3 (*Partial Payments*).

“Parent” means American Shipping Company ASA, a company existing under the laws of Norway with registration number 988 228 397.

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

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Permitted Financial Indebtedness” means:

- (a) any Financial Indebtedness arising under the Finance Documents including through a Tap Issue;

- (b) the Senior Bank Facilities;
- (c) any Subordinated Loan;
- (d) any unsecured bonds issued by the Issuer with (i) no amortisation and with maturity after the Maturity Date of the Bonds, (ii) covenants not materially more restrictive than the Bonds, and (iii) without any Financial Support from any other Group Company other than the Guarantors;
- (e) obligations under any derivative transactions related to the Group's hedging made on a non-speculative basis entered into with any of the Senior Finance Parties or another Acceptable Bank;
- (f) any recourse liability incurred by a Group Company to any financial institution in respect of bid or performance bonds, advance payment guarantees and other guarantees or letters of credit issued in the ordinary course of business of the relevant Group Company;
- (g) any New Vessel Financing and any refinancing thereof provided that the amount refinanced shall not exceed the total amount outstanding under the New Vessel Financing at the time of such refinancing;
- (h) the OSG Credit; or
- (i) any Financial Indebtedness incurred by the Group (which is not covered by (a) through (h) above) that in total does not cause the levels for maximum Total Adjusted Interest-Bearing Debt (as set out in paragraph (b) of Clause 14.4 (*Financial covenants*)) to be exceeded.

“Permitted Financial Support” means any Financial Support:

- (a) given in respect of the Bonds;
- (b) given in relation to the Senior Bank Facilities;
- (c) given by any Group Company in relation to any Financial Indebtedness falling within any of items (d), (e), (f), (g) or (h) of the definition of “Permitted Financial Indebtedness”;
- (d) given by any Group Company not being the Issuer or a Subsidiary of the Issuer in relation to any Financial Indebtedness falling within item (i) of the definition of "Permitted Financial Indebtedness" and having as a borrower any Group Company not being the Issuer or a Subsidiary of the Issuer;
- (e) given in relation to the DPO; and
- (f) made, granted or given by any Group Company in the ordinary course of business to include inter alia company guarantees or performance guarantees given to shipyards or pursuant to time charters or contracts of affreightment.

“Permitted Security” means:

- (a) Security granted in relation to Permitted Financial Indebtedness falling within any of items (b), (e), (f) and (g) of the definition of “Permitted Financial Indebtedness”; and
- (b) Security granted in relation to other Financial Indebtedness incurred by the Group (not covered by (a) above) that in total do not exceed USD 10 million.

“Profit Share” has the meaning given to that term in the Profit Sharing Agreement.

“Profit Sharing Agreement” means the profit sharing agreement, dated as of December 11, 2009, as amended by amendment no. one dated as of June 17, 2013, among OSG, OSG America, L.P., and the Issuer.

“Projected Debt Service” means, in respect of any Projection Period, the sum of total projected gross interest costs, scheduled amortisations and repayments related to the Group’s total interest bearing debt in accordance with GAAP.

“Projected EBITDA” means, in respect of any Projection Period, the projected consolidated earnings of the Group, before interest, taxation, depreciation and amortisation, not taking into account any exceptional or extraordinary items but including the DPO Payments and Profit Share.

“Projection Period” means the next six (6) months calculated from the last preceding Quarter Date from the date of calculating the Distribution Incurrence Test.

“Put Option” shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event.

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

“QIB” shall have the meaning ascribed to such term in paragraph (b) of Clause 11.2 (*Restrictions*).

“Qualified Leasing Company” means a company that is qualified to document a vessel under the U.S. flag pursuant to 46 U.S.C. §12103(b), and the regulations promulgated thereunder, with a coastwise endorsement pursuant to 46 U.S.C. §12119(b), and the regulations promulgated thereunder, for bareboat charter to a U.S. Citizen eligible to operate vessels in the coastwise trade, and able to make the annual certification to the Coast Guard required by 46 U.S.C. §12119(c)(2), and the regulations promulgated thereunder, with respect to such vessel.

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

“Redemption Amount” shall have the meaning ascribed to such term in Clause 10.4 (*Early redemption due to a Mandatory Prepayment Event*).

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

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“Repayment Date” means any Call Option Repayment Date, the Default Repayment Date, the Mandatory Prepayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“Reporting Date” means the date(s) on which each of the Issuer and the Parent publishes Annual Financial Statements or Interim Accounts (as applicable) in accordance with Clause 13.1 (*Financial Reports*).

“Rule 144A” shall have the meaning ascribed to such term in paragraph (b) of Clause 11.2 (*Restrictions*).

“Securities Act” shall have the meaning ascribed to such term in paragraph (b) of Clause 11.2 (*Restrictions*).

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

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

“Senior Bank Facilities” means the Existing Senior Bank Facilities and any New Senior Bank Facilities.

“Senior Finance Parties” means Atlantic Union Bank, BNP Paribas, CIT, National Australia Bank, Prudential, Siemens Capital, Wintrust and Skandinaviska Enskilda Banken AB (publ) or any affiliate thereof.

“Subordinated Loan” means any unsecured Financial Indebtedness subject to such terms as described in the covenant “Subordinated Loans” (item (i) or (ii), as applicable) in paragraph (d) of Clause 14.3 (*Parent’s special covenants*).

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

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

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

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

“**Tax**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding) assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.5 (*Early redemption option due to a tax event*).

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

“**Total Adjusted Interest-Bearing Debt**” means the Group’s total interest-bearing debt in accordance with GAAP excluding any New Vessel Financing and the OSG Credit), *less* the required amount of Minimum Liquidity under the Bonds.

“**Total Loss Event**” means an actual or constructive total loss of any Existing Vessel.

“**US Citizen**” means a citizen of the United States within the meaning of 46 U.S.C. §§50501(a), (b) and (d), eligible to own and operate vessels in the coastwise trade of the United States.

“**Vessels**” means any Existing Vessel and any vessel acquired after the date of these Bond Terms.

“**Vessel Disposal Event**” means a direct or indirect disposal of one or more Existing Vessel(s) to an entity not being a Group Company.

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

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 16.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

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

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

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 220,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of 200,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

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

- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 1,000.
- (d) The Bonds will in the Compliance Period have ISIN NO 0010886336.
- (e) Upon expire of the Compliance Period the Bonds will automatically be converted to a new ISIN, being ISIN NO 0010886328, without any action necessary on the part of the Bondholders, and such new ISIN shall apply for the remaining term of the Bond Issue.
- (f) All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.
- (g) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 16.1 (*Authority of the Bondholders' Meeting*).

2.2 Tenor of the Bonds

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

2.3 Use of proceeds

The Issuer will use the net proceeds from the Initial Bond Issue (net of legal costs, fees of the Managers and the Bond Trustee and any other agreed costs and expenses) for:

- (a) repayment in part or in full of the USD 220 million unsecured bond with ISIN NO 001 0777519 plus accrued interest (the “**Existing Bonds**”); and
- (b) any remaining amounts, for its general corporate purposes.

The Issuer will use the net proceeds from the issuance of any Additional Bonds for its general corporate purposes.

2.4 Status of the Bonds and the guarantees

The Bonds will constitute senior debt obligations of the Issuer and the guarantee included in Clause 12 (*Guarantee*) of these Bond Terms will constitute senior obligations of each of the Guarantors. The Bonds will rank pari passu between themselves and the Bonds and the guarantee obligations will rank at least pari passu with all other obligations of the Issuer and the Guarantors (as the case may be) save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application. The Bonds and the guarantee obligations shall rank ahead of subordinated debt.

2.5 Transaction Security

The Bonds are unsecured.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

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

3.2 Limitation of rights of action

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

3.3 Bondholders' rights

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

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full. The Issuer shall use its reasonable endeavours to ensure that any Temporary Bonds are listed on an Exchange within 6 months of the issue date for such Temporary Bonds.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD. The Bonds will be issued to and registered on Euroclear's custody account with the CSD as nominee. The Bonds will be blocked for further trading in the CSD and will only be available for trading and settlement through Euroclear.

5.2 Obligation to ensure correct registration

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

5.3 Country of issuance

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

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) The net proceeds from the issuance of the Bonds will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties thereto;
 - (ii) In respect of each Obligor:
 - (A) confirmation that no potential or actual Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;
 - (B) certified copies of all corporate resolutions of each Obligor required for the Obligors to issue and execute the Finance Documents to which it is a party;
 - (C) a certified copy of a power of attorney (unless included in the corporate resolutions) from each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on its behalf;
 - (D) certified copies of each Obligor's articles of association and of a full extract from the relevant company register in respect of each Obligor evidencing that the relevant Obligor is validly existing;

- (iii) copies of each of the Issuer's and Parent's latest Financial Reports (if any);
 - (iv) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation (EU)(2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (v) confirmation that the Bonds are registered in the CSD by obtaining ISIN for the Bonds;
 - (vi) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (vii) the Bond Trustee Fee Agreement duly signed by all parties thereto;
 - (viii) confirmation of acceptance from any process agent;
 - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (x) all legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents); and
 - (xi) any other Finance Documents duly signed by all parties thereto.
- (b) The Bond Trustee, acting in its sole discretion, may waive the deadline or the requirements for documentation set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Distribution

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Tap Issues

The Issuer may issue Additional Bonds if:

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

7. REPRESENTATIONS AND WARRANTIES

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

- (a) at the execution date of these Bond Terms;
- (b) at the Issue Date; and
- (c) at the date of issuance of any Additional Bonds.

7.1 Status

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

7.2 Power and authority

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

7.3 Valid, binding and enforceable obligations

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

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon any Group Company or such Group Company's assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) 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 any

Group Company or such Group Company's assets which has or is likely to have a Material Adverse Effect.

7.6 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 these Bond Terms 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 these Bond Terms,
- have been obtained or effected and are in full force and effect.

7.7 Litigation

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

7.8 Financial Reports

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

7.9 No Material Adverse Effect

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

7.10 No misleading information

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

7.11 Pari passu ranking

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

7.12 Security

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

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

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

8.2 Default interest

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

8.3 Partial payments

- (a) If the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a "**Partial**

Payment”), such Partial Payment shall, in respect of the Issuer’s debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:

- (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
- (i) the Bond Trustee has served a Default Notice in accordance with Clause 15.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders’ decisions*).

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by or on behalf of it in relation to the Finance Documents.
- (b) If any tax (whether stated to be a tax, assessment, governmental charge or otherwise) is withheld in respect of the Bonds by or on behalf of each Obligor under the Finance Documents, the Obligors shall:
 - (i) subject to the exceptions and limitations set forth in paragraph (c) below, gross up the amount of the payment due from it (or on behalf of it) up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received by such person if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required Tax deduction or withholding has been made.
- (c) Paragraph (b) shall not apply:
 - (i) to any Tax imposed by reason of the Bondholder (or the beneficial owner for whose benefit such Bondholder holds one or more Bonds), or a fiduciary, settlor, beneficiary, member or shareholder of the Bondholder if the relevant Bondholder is an estate, trust, partnership or corporation, or a person holding a

power over an estate or trust administered by a fiduciary Bondholder, being considered as:

- (A) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
 - (B) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Bonds, the receipt of any payment or the enforcement of any rights relating to the Bonds), including being or having been a citizen or resident of the United States or being or having been present in the United States;
 - (C) being or having been (or failing to certify as not being or not having been) a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States income tax purposes, a corporation that has accumulated earnings to avoid U.S. federal income tax, or a foreign tax exempt organisation with respect to the United States;
 - (D) being or having been (or failing to certify as not being or not having been) a “10-percent shareholder” of the Issuer as defined in section 871(h)(3) or 881(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”) or any successor provision; or
 - (E) being (or failing to certify as not being or not having been) a bank purchasing the Bonds in the ordinary course of its lending business; or
- (ii) to any Tax that is payable otherwise than by withholding by the Issuer from payments made by it, a Paying Agent or Euroclear to the Bondholders; or
 - (iii) to any Tax or other withholding obligation imposed under Sections 1471 through 1474 of the Code (commonly referred to as FATCA) (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or
 - (iv) to any Tax to the extent any such Tax would not have been imposed but for the failure of the Bondholder or any other person:
 - (A) to provide a properly completed and executed Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI or Form W-8IMY (and related documentation) or Form W-9, as applicable, or any subsequent version thereof or successor thereto and to update such forms or certifications if any such forms or certifications previously delivered expire or become obsolete or inaccurate in any respect; or

- (B) upon receiving a reasonable prior written notice, to otherwise comply with any applicable certification, identification, backup withholding or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Bondholder or beneficial owner of one or more Bonds, if compliance is required by any applicable law, regulation or tax treaty to which the United States is a party as a precondition to partial or complete exemption from such Tax; or
- (v) payments to, or to a third party on behalf of, a Bondholder where no such withholding would have been required to be made if the Bonds, at the time of payment, had been credited to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the United States; or
- (vi) payments to the extent such withholding or deduction is payable by or on behalf of a Bondholder who could lawfully mitigate (but has not so mitigated) such withholding by;
 - (A) complying or procuring that any third party complies with any statutory requirements; or
 - (B) by making or procuring that a third party makes a declaration of non-residence; or
 - (C) other similar claim for exemption to any Tax authority in the place where the payment is effected; or
- (vii) to any Bondholder that is not the sole beneficial owner of the Bonds, or a portion of the Bonds, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the Bondholder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (viii) where such withholding is imposed on a payment to or for an individual and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any other directive or law implementing or complying with, or introduced in order to conform to, such Directive, the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive (including, for the avoidance of doubt, any replacement directive or law); or
- (ix) to any combinations of paragraph (c) (i)-(viii).

- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (e) The Bond Trustee shall not have any responsibility with respect to obtaining information about the Bondholders or any other information relevant for the Tax obligations referred to herein or with respect to any Tax payable by any party pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

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

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with Clause 9.1 (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or

- (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

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

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or some of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date, but not including, the Interest Payment Date falling 54 months after the Issue Date, at a price equal to 102.00 per cent. of the Nominal Amount for each redeemed Bond (the “**First Call Price**”);
 - (iii) the Interest Payment Date falling 54 months after the Issue Date to, but not including, the Interest Payment Date falling 59 months after the Issue Date, at a price equal to 101.00 per cent. of the Nominal Amount for each redeemed Bond; and
 - (iv) the Interest Payment Date falling 59 months after the Issue Date to, but not including, the Maturity Date at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10) Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall publish the Make Whole Amount to the Bond Trustee and the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (a “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds).
- (b) The Put Option must be exercised within 15 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 13.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 15th calendar day after the end of the 15 calendar days exercise period referred to in paragraph (b) above.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption due to a Mandatory Prepayment Event

The Issuer shall:

- (a) upon a Vessel Disposal Event, not later than 30 calendar days following such event, redeem the pro rata portion of the Outstanding Bonds (such pro-rata portion to be based on the number of Existing Vessels disposed of in such Vessel Disposal Event relative to the number of Existing Vessels owned by the Group prior to the Vessel Disposal Event) at a redemption price being the lower of (i) the First Call Price, and (ii) the prevailing call option price as set out under Clause 10.2 (Voluntary early redemption - Call Option) (with the redemption price to be based on the date the Mandatory Prepayment Event occurred); or
- (b) upon a Total Loss Event, promptly once insurance proceeds (if any) are available to it, but in any event no later than 120 calendar days following the Total Loss Event, redeem on a pro-rata basis relative to the Outstanding Bonds (such pro-rata portion to be based on the number of Existing Vessels subject to the Total Loss Event relative to the number of Existing Vessels owned by the Group prior to the Total Loss Event) at 100 per cent. of the Nominal Amount.

10.5 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4

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

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

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

11.2 Restrictions

- (a) For 40 days from the Issue Date or the date of issuance of any Additional Bonds, as applicable (the “**Compliance Period**”), the Bonds may only be reoffered, resold, pledged or otherwise transferred to (i) a non-U.S. person in an offshore transaction or (ii) a person whom the seller and/or any person acting on its behalf reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A. Each person transferring Bonds during the Compliance Period is required to arrange such trades through the Managers and to obtain a certificate or taped telephonic confirmation from the transferee certifying as to such transferee’s status as a non-U.S. person or QIB, as the case may be.
- (b) After the expiration of the Compliance Period, Bondholders located in the United States will not be permitted to transfer the Bonds except (a) to the Issuer, (b) pursuant an effective registration statement under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), (c) to a person that the Bondholder reasonably believes is a “qualified institutional buyer” (“**QIB**”) (as defined in Rule 144A under the Securities Act (“**Rule 144A**”)) within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, in a transaction meeting the requirements of Rule 144A, (d) to a non-U.S. person in an offshore transaction satisfying the requirements of Rule 904 of Regulation S under the Securities Act, and (e) in accordance with Rule 144 under the Securities Act (if available) and (f) pursuant to any other available exemption from registration under the Securities Act. The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.
- (c) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (d) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to

these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

11.3 Trading of the Bonds

- (a) The Bonds will be blocked for all trading in the CSD and all trading in the Bonds will be made through Euroclear and all buyers and sellers of Bonds must therefore have or open a securities account with Euroclear or have an agreement with an authorized nominee in Euroclear holding the Bonds on behalf of the subscriber or become a direct or sponsored member of Euroclear. No other International Central Securities Depository or other nominee can hold the Bonds in the CSD and may therefore not be a substitute to Euroclear.
- (b) The Bonds shall only be offered to (i) non-“U.S. persons” in “offshore transactions” (each as defined in Rule 902 of Regulation S under the Securities Act, and (ii) to persons located in the United States, its territories and possessions that are QIBs in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act.) In addition to the application form that each investor will be required to execute, each U.S. investor that wishes to purchase Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB.
- (c) The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.

12. GUARANTEE

12.1 Guarantee and indemnity

- (a) Each Guarantor irrevocably and unconditionally jointly and severally:
 - (i) guarantees to the Bond Trustee (on behalf of itself and the Bondholders) punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;
 - (ii) undertakes with the Bond Trustee (on behalf of itself and the Bondholders) that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand (Nw. *påkravsgaranti*) pay that amount, and the Guarantor shall have no right of defence, reservation or objection to such demand for payment by the Bond Trustee and no conflict or dispute of whatsoever nature between the Bond Trustee or any Bondholders and any Obligor shall have an impact on the Guarantor's obligation to pay under the guarantee set out in this Clause 12 (*Guarantee*); and
 - (iii) agrees with the Bond Trustee (on behalf of itself and the Bondholders) that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Bond Trustee immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability,

invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 12 (*Guarantee*) if the amount claimed had been recoverable on the basis of a guarantee.

12.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Obligors under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

12.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of an Obligor or any security for those obligations or otherwise) is made by the Bond Trustee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 12 (*Guarantee*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

12.4 Waiver of defences

The obligations of each Guarantor under this Clause 12 (*Guarantee*) will not be affected by an act, omission, matter or thing which, but for this Clause 12 (*Guarantee*), would reduce, release or prejudice any of its obligations under this Clause (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, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

- (g) any insolvency or similar proceedings.

12.5 Guarantor Intent

Without prejudice to the generality of Clause 12.4 (Waiver of defences), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; any other variation or extension of the purposes for which any such amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

12.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Bond Trustee to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 12 (*Guarantee*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

12.7 Appropriations

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

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Bond Trustee 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 Clause 12 (*Guarantee*).

12.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Bond Trustee otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 12 (*Guarantee*):

- (a) to be indemnified by a Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (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 under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Bond Trustee;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 12.1 (Guarantee and indemnity);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with the Bond Trustee.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Bond Trustee by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Bond Trustee and shall promptly pay or transfer the same to the Bond Trustee or as the Bond Trustee may direct for application in accordance with the Bond Terms.

12.9 Guarantee Limitations

Notwithstanding the obligations of the Guarantors pursuant to this guarantee, the maximum guarantee liability of each Guarantor hereunder shall always be limited to USD 264,000,000 plus any interest, default interest or other costs, fees and expenses related to the liability of that Guarantor hereunder.

12.10 Norwegian Financial Agreements Act

Each Guarantor waives all its rights under the provisions of (and the principles of law codified by) the Norwegian Financial Agreements Act of 25 June 1999 no. 46 (not being mandatory provisions), including (without limitation) the rights set out in Sections 62 through 74 of that act.

13. INFORMATION UNDERTAKINGS

13.1 Financial Reports

- (a) Each of the Issuer and the Parent shall prepare Annual Financial Statements in the English language and make them available on the Parent's website and via the distribution system at the stock exchange where the shares in the Parent are listed (if any) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) Each of the Issuer and the Parent shall prepare Interim Accounts in the English language and make them available on the Parent's website and via the distribution system at the stock exchange where the shares in the Parent are listed (if any) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

13.2 Requirements as to Financial Reports

- (a) Each of the Issuer and the Parent shall on each Reporting Date supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 13.1 (*Financial Reports*), however only once for each relevant reporting period, a Compliance Certificate with a copy of the Financial Report attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief

financial officer of the Issuer, certifying i.a. that the Financial Statements are fairly representing its financial condition as at the date of those financial statements and, in respect of the Compliance Certificate from the Issuer, setting out (in reasonable detail) computations evidencing compliance with Clause 14.4 (*Financial covenants*) as at such date.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 13.1 (*Financial Reports*) are prepared using GAAP consistently applied.

13.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

13.4 Listing Failure Event

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

13.5 Information: Miscellaneous

The Issuer shall:

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

14. GENERAL AND FINANCIAL UNDERTAKINGS

14.1 Issuer's general undertakings

The Issuer undertakes to comply with the undertakings set forth in this Clause 14.1 (*Issuer's general undertakings*) at all times during the term of the Bonds (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing has agreed to otherwise).

- (a) **Pari passu ranking:** The Issuer shall, ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank at least pari passu as set out in Clause 2.4 (*Status of the Bonds and the Guarantees*).
- (b) **Mergers:** The Issuer shall not, and shall ensure that no other Group Company will, 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, and shall ensure that no other Group Company will, carry out any de-merger or other corporate reorganization involving a splitting of any of 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, and shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the Issue Date and/or as set out in these Bond Terms if such change would have a Material Adverse Effect.
- (e) **Disposal of assets/business:** The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:
 - (i) the transaction is carried out on arm's length terms and for fair market value;
 - (ii) such transaction would not have a Material Adverse Effect; and
 - (iii) if such transaction would constitute a Mandatory Prepayment Event, the Bonds are redeemed in accordance with Clause 10.4 (Early redemption due to a Mandatory Prepayment Event).
- (f) **Corporate status:** The Issuer shall not, and shall procure that no other Group Company will, change its type of organization or jurisdiction of incorporation (other than changing to another state in the United States) if such change of type of organization or jurisdiction would have a Material Adverse Effect.
- (g) **Compliance with laws:** The Issuer shall, and shall ensure that each other Group Company will, carry on its business in accordance with internationally accepted 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.

- (h) **Insurance:** The Issuer shall, and the Issuer shall procure that each other Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its properties and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction.
- (i) **Arm's length transactions:** The Issuer shall not, and the Issuer shall ensure that no other Group Company will, enter into any transaction with any affiliate except on arm's length terms and for fair market value.

14.2 Issuer's special covenants

The Issuer shall comply with the special covenants set forth in this Clause 14.2 (*Issuer's special covenants*) at all times during the term of the Bonds (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing has agreed to otherwise).

- (a) **Subsidiaries' distributions:** The Issuer not shall permit any (direct or indirect) Subsidiary of the Issuer to create or permit to exist any contractual obligation (or Security) restricting the right of such Subsidiary to:
 - (i) pay dividends or make other distributions to its shareholders;
 - (ii) service any Financial Indebtedness to the Issuer;
 - (iii) make any loans to the Issuer; or
 - (iv) transfer any of its assets and properties to the Issuer,

in each case other than (A) any restrictions reflecting those set forth in the Existing Senior Bank Facilities as per the Issue Date and (B) any restrictions in any New Senior Bank Facility or other Financial Indebtedness of the Group (including any restriction in the Existing Senior Bank Facility that did not exist on the Issue Date) which (i) does not have a Material Adverse Effect and (ii) is not likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.
- (b) **Financial Support restrictions:** The Issuer shall not, and shall ensure that no other Group Company will, grant any loans, give any guarantees, otherwise voluntarily assume any financial liability (whether actual or contingent) or provide any other financial support (including providing third party security) ("**Financial Support**"), to or for the benefit of any person or entity not being a Group Company, other than Permitted Financial Support.
- (c) **Financial Indebtedness restrictions:** The Issuer shall not, and shall ensure that no other Group Company will, incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.

- (d) **Negative pledge:** The Issuer shall not, and shall ensure no other Group Company will, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other security over any of its present or future respective assets or its revenues, other than:
 - (i) the Permitted Security; and
 - (ii) any lien arising by operation of law.
- (e) **Financing the acquisition of new vessels:** If any Group Company (not being a Subsidiary of the Issuer and not being an Obligor) acquires a vessel (or entity owning such vessel or participation in a joint venture owning a vessel) (from an entity not being a Group Company), the relevant Group Company may incur new Financial Indebtedness with respect to such acquisition and/or investment (“**New Vessel Financing**”) provided that:
 - (i) the ratio of the principal amount of the New Vessel Financing relative to the purchase price of the acquired vessel does not exceed 70 per cent., provided that if the relevant vessel is committed for employment with a counterparty with an investment grade rating, the ratio can be up to 90 per cent.; and
 - (ii) the New Vessel Financing is provided by one or more of the Senior Finance Parties, other commercial banks or financial institutions or by way of a capital market debt instrument (or any combination of the foregoing).
- (f) **Jones Act compliance:** The Issuer shall ensure that each Group Company owning any of the Existing Vessels at all times meets the requirements of a Qualified Leasing Company or a US Citizen.
- (g) **Ownership of American Shipping Corporation:** The Issuer shall procure that American Shipping Corporation shall remain its direct or indirect wholly owned Subsidiary.

14.3 Parent’s special covenants

The Parent shall comply with the special covenants set forth in this Clause 14.3 (*Parent’s special covenants*) at all times during the term of the Bonds (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing has agreed to otherwise).

- (a) **Parent Distributions:** The Parent may only (i) declare or make any dividend payment or other equity or capital distributions or payments (including group contributions) to, (ii) make any loans to or service any loans from, or (iii) repurchase shares from, its shareholders, in each case whether in cash or in kind, (including without limitation enter into any total return swaps or instruments with similar effect with its shareholders) (a “**Distribution**”) if, at the time of such Distribution, (a) the Distribution Incurrence Test is fulfilled and (b) no Event of Default is continuing or would arise from such Distribution.

The Distribution Incurrence Test shall be considered satisfied if the Debt Service Coverage Ratio at the time of such Distribution is not less than 1.25 and such fulfilment is certified by the Parent to the Bond Trustee.

- (b) **Pari passu ranking:** The Parent shall, and shall procure that each other Group Company will, ensure that their obligations under the Bond Terms and any other Finance Document shall at all times rank at least pari passu as set out in Clause 2.4 (*Status of the Bonds and the Guarantees*).
- (c) **Ownership:** The Parent shall procure that the Issuer and American Tanker Holding Company, Inc. shall remain Subsidiaries of the Parent.
- (d) **Subordinated Loans:** The Parent shall ensure that:
 - (i) any existing and future loans from a shareholder in or an Affiliate of the Parent to any Obligor (other than loans described in paragraph (ii) below) shall be subordinated to the obligations under the Finance Documents, subject to a subordination and turn-over agreement acceptable to the Bond Trustee, have maturity no earlier than 6 months after the Maturity Date, have no payment of principal and provide that any payment of any cash interest is subject to the Distribution Incurrence Test; and
 - (ii) any loans having an Obligor as a debtor and a Group Company not being an Obligor as creditor shall be subordinated to the obligations under the Finance Documents, subject to a subordination and turn-over agreement acceptable to the Bond Trustee and may only be serviced as long as no Event of Default has occurred and is continuing.

14.4 Financial covenants

The Issuer undertakes to ensure compliance with the financial covenants set forth in this Clause 14.4 (*Financial covenants*) at all times during the term of the Bonds (unless the Bond Trustee or the Bondholders' Meeting (as the case may be) in writing has agreed to otherwise).

- (a) **Minimum Liquidity:** The Issuer shall ensure that the Group maintains a Liquidity of minimum USD 25,000,000.
- (b) **Maximum Total Adjusted Interest-Bearing Debt:** The Issuer undertakes that the Total Adjusted Interest-Bearing Debt shall not exceed:

As of:	USD million:
31 December 2020	585
31 December 2021	560
31 December 2022	530
31 December 2023	505
31 December 2024	475

The maximum Total Adjusted Interest-Bearing Debt, shall be reduced with an amount equal to the amount required to prepay the portion of the Senior Bank Facilities and Outstanding Bonds in accordance with Clause 10.4 (*Early redemption due to a Mandatory Prepayment Event*), such reduction to be effective when each such prepayment is due.

- (c) The Issuer shall measure compliance with the financial covenants set forth in this Clause 14.4 (*Financial covenants*) on each Quarter Date and certify compliance in each Compliance Certificate sent, as further set out in Clause 13.2 (Requirements as to Financial Reports).
- (d) The financial covenants set forth in this Clause 14.4 (*Financial covenants*) shall be calculated on a consolidated basis for the Group.

15. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

15.1 Events of Default

Each of the events or circumstances set out in this Clause 15.1 (*Events of Default*) shall constitute an Event of Default:

(a) Non-payment

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

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

(b) Breach of other obligations

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

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

(d) Cross default

If for any Group Company:

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

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 5,000,000 (or the equivalent thereof in any other currency).

(e) Insolvency and insolvency proceedings

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

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

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph 15.1 (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

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

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

(h) *Material Regulatory Event*

The occurrence of any Material Regulatory Event.

(i) *Material Adverse Change*

The occurrence of any event or circumstance which has a Material Adverse Effect.

15.2 **Acceleration of the Bonds**

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 15.3 (*Bondholders' instructions*) below, by serving a Default Notice:

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

15.3 **Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 15.2 (*Acceleration of the Bonds*) if:

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

15.4 Calculation of claim

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

- (i) for any Event of Default arising out of a breach of Clause 15.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

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

16. BONDHOLDERS' DECISIONS

16.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 17.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.

- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 18.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

16.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).

- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a “**Representative**”). The chair of the Bondholders' Meeting may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

16.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

- (b) Issuer's Bonds shall not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 16 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

16.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 16.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 16.1 (*Authority of the Bondholders' Meeting*), Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 16.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 16.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 16.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

16.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 16.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the

Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 16.1 (*Authority of the Bondholders' Meeting*), 16.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 16.3 (*Voting Rules*) and Clause 16.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 16.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 16.5 (*Written Resolution*),
 shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 16.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 16.1 (*Authority of Bondholders' Meeting*).

17. THE BOND TRUSTEE

17.1 Power to represent the Bondholders

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

17.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.

- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 17.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

17.3 Equality and conflicts of interest

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

17.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage

caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.

- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 15.3 (*Bondholders' instructions*) or Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

17.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 16 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 17.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 17.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

18. AMENDMENTS AND WAIVERS

18.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a security agent shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the security agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

18.2 Authority with respect to documentation

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

18.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 18 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 18.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

19. MISCELLANEOUS

19.1 Limitation of claims

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

19.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

19.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and

- (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

19.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) An amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

 - (A) the Issuer will be relieved from its obligations under Clause 13.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 13.3 (*Put Option Event*), Clause 13.5 (*Information: Miscellaneous*) and Clause 14 (*General and financial undertakings*);
 - (B) any Obligor shall be released from any guarantee or other obligation applicable to it under any Finance Document.

- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 19.4 (*Defeasance*) may not be reversed.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

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

20.2 Main jurisdiction

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

20.3 Alternative jurisdiction

Clause 20 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

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

20.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each of the Issuer and American Tanker Holding Company:
 - (i) irrevocably appoints the Parent as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify each of the Issuer and American Tanker Holding Company of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer and American Tanker Holding Company

must immediately (and in any event within ten (10) Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.


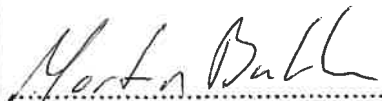

-----000-----

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

SIGNATURES:

The Issuer: American Tanker, Inc. By: Position:	As Bond Trustee: Nordic Trustee AS  By: Lars Erik Lærum Authorised signatory Position:
As Parent and Guarantor: American Shipping Company ASA By: Position:	As Guarantor: American Tanker Holding Company, Inc. By: Position:

SIGNATURES:

The Issuer: American Tanker, Inc.  By: Leigh Jaros Position: CEO	As Bond Trustee: Nordic Trustee AS By: Position:
As Parent and Guarantor: American Shipping Company ASA  By: CFO - Morten Bakke Position:	As Guarantor: American Tanker Holding Company, Inc.  By: Leigh Jaros Position: CEO

SCHEDULE 1 COMPLIANCE CERTIFICATE

[date]

**American Tanker, Inc. - Senior Unsecured Callable Bond Issue 2020/2025 ISIN NO 0010886336
/ ISIN NO 001 0010886328**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and, inter alia, the undersigned as [Issuer] / [Parent]. Pursuant to Clause 13.2 (*Requirements as to Financial Reports*) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

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

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

With reference to Clause 13.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the [Issuer] / [Parent and the Group] since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 14.4 (*Financial covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.]

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

Yours faithfully,

[American Tanker, Inc.] / [American Shipping Company ASA]

[Name of authorised person]

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