

## TERM SHEET



### ACL Holdings Limited

ISIN: [●]

### ACL Holdings Limited Senior Secured Callable Bond Issue 2024/2027 (the "Bond Issue")

**Issue Date:** Expected to be [●] February 2024

- Issuer:** ACL Holdings Limited, a company incorporated under the laws of Guernsey with company registration number 68957, and which has LEI-code 213800YDMTDSBUIVJ9887.
- Parent:** Wake Luxco S.à r.l., a company incorporated under the laws of Luxembourg with company registration number B251688, which is the direct owner of all the shares in the Issuer.
- Group:** The Issuer and each of its Subsidiaries from time to time (each a "**Group Company**").
- Vessel Owner:** The following Group Companies:
- (a) Wake Asset Co Ltd, a company incorporated under the laws of the British Virgin Islands with company registration number 2054235, which is a wholly-owned and directly-owned Subsidiary of the Issuer and the sole legal and beneficial owner of Vessel 1 and Vessel 2; and
  - (b) any other single purpose limited liability company, which is a wholly-owned and directly-owned Subsidiary of the Issuer and the sole legal and beneficial owner of an Additional Vessel,
- or, in each case, any other Group Company which becomes the sole legal and beneficial owner of any such Vessel.
- Guarantors:** Each Vessel Owner and each other wholly-owned Group Company (other than the Issuer and any Dormant Company).
- Obligors:** The Issuer and each Guarantor.
- Currency:** EUR.
- Initial Issue Amount:** EUR 60,000,000.

<b>Maximum Issue Amount:</b>	EUR 100,000,000.
<b>Issue Price:</b>	100.00 per cent. of the Nominal Amount.
<b>Interest Rate:</b>	[●] per cent. per annum.
<b>Maturity Date:</b>	[●] February 2027 (being 3 years after the Issue Date).
<b>Purpose:</b>	<p>The proceeds from the initial Bond Issue shall be applied towards (a) refinancing the Existing Debt, (b) financing the general corporate purposes of the Group (other than any Distributions) and (c) financing any fees, costs and expenses incurred by the Group in respect of any such transactions or the initial Bond Issue.</p> <p>The purpose of any Tap Issue shall be set out in the relevant Tap Issue Addendum.</p>
<b>Amortisation:</b>	The Bonds shall be repaid in full on the Maturity Date at a price of 103.00 per cent. of the Nominal Amount.
<b>First Interest Payment Date:</b>	[●] August 2024 (being 6 months after the Issue Date).
<b>Last Interest Payment Date:</b>	The Maturity Date.
<b>Interest Payments:</b>	Interest on the Bonds will commence to accrue on the Issue Date and shall be payable in arrears (a) <u>for the first time</u> , on the date falling 6 months after the Issue Date, (b) thereafter, semi-annually on [●] February, and [●] August each year (each of the dates in (a) and (b) being an " <b>Interest Payment Date</b> "), (c) on the date of any early redemption of Bonds (in respect of interest accrued on the Bonds being redeemed) and (d) on the Maturity Date. Day-count fraction for the interest is 30/360 and business day convention is "unadjusted".
<b>Default Interest:</b>	2.00 percentage points per annum higher than the Interest Rate.
<b>Nominal Amount:</b>	The Bonds will each have a nominal amount of EUR 100,000.
<b>Minimum Subscription:</b>	The Bonds will have a minimum subscription and allocation amount of EUR 100,000 and higher amounts may be subscribed for in integral multiples of EUR 100,000 in excess thereof.
<b>Status and Ranking:</b>	The Bonds will constitute senior debt obligations of the Issuer and rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
<b>First Call Date:</b>	[●] August 2025 (being the Interest Payment Date falling 18 months after the Issue Date).
<b>Call Option (American):</b>	The Issuer may redeem all (but not only some) of the Bonds (the " <b>Call Option</b> ") on any Business Day from and including:

- (a) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
- (b) the First Call Date to, but not including, the Interest Payment Date falling 24 months after the Issue Date at a price equal to 105.00 per cent. of the Nominal Amount of the redeemed Bonds; and
- (c) the Interest Payment Date falling 24 months after the Issue Date to, but not including, the Maturity Date at a price equal to 103.00 per cent. of the Nominal Amount of the redeemed Bonds,

and each of the respective call prices set out in the preceding paragraphs, shall be referred to as a "**Call Price**".

Any accrued and unpaid interest on the Bonds being redeemed shall be paid together with the redeemed Bonds.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the applicable Repayment Date. Any such notice (a) shall be irrevocable, (b) shall specify the applicable Repayment Date and the aggregate Nominal Amount of the Bonds to be redeemed and (c) may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied or waived at least three Business Days prior to such Repayment Date (and, if any such conditions precedent have not been satisfied or waived within such time, such Call Option shall automatically be cancelled).

The applicable Call Price shall be determined based on the relevant Repayment Date and not on the date the Issuer exercised the relevant Call Option as described above.

**Make Whole Amount:** An amount equal to the sum of the present value on the applicable Repayment Date of each of:

- (a) 105.00 per cent. of the Nominal Amount of the redeemed Bonds as if such redemption had taken place on the First Call Date; and
- (b) the remaining interest payments on the redeemed Bonds to the First Call Date (less any accrued and unpaid interest on the redeemed Bonds as at such Repayment Date),

where the present value shall be calculated by using a discount rate of [*to be set at the corresponding 18 months German government bond rate (interpolated on a linear basis) + 50 basis points per annum on or about close of books*].

**Mandatory Redemption (Long Stop Date):**

If the conditions precedent in section "Conditions Precedent for Disbursement" below have not been fulfilled within 60 days of the Issue Date (the "**Long Stop Date**"), the Issuer shall promptly, and in any event not later than on the date occurring two Business Days after the Long Stop Date, redeem all the Bonds at a price equal to 101.00 per cent. of the Nominal Amount thereof (plus accrued and unpaid interest thereon). The Issuer may apply the funds deposited in the Escrow Account towards settlement of such redemption.

**Mandatory Redemption (Sale or Total Loss):**

- (a) If any Vessel at any time is sold or otherwise disposed of in whole or in part, or any Vessel at any time becomes a Total Loss, the Issuer shall on the Relevant Date redeem Bonds in an amount equal to the aggregate of:
- (i) that Vessel's Pro Rata Proportion; and
  - (ii) any such additional amount as shall be required to reduce the Vessel LTV Ratio to no more than the Maximum Vessel LTV Ratio (i.e. *pro forma* tested taking into account the redemption referred to in paragraph (a)(i) above),

at a price equal to the Call Price that would have applied if such redemption had taken place by way of a Call Option on the Relevant Date (plus accrued and unpaid interest thereon).

- (b) Provided that no Event of Default has occurred and is continuing, any remaining proceeds of the sale, other disposal or Total Loss of a Vessel after such redemption referred to in paragraph (a) above has been made (together with payment of all other amounts that are payable in connection with any such redemption pursuant to the terms hereof), shall be paid to the relevant Vessel Owner (or such other Obligor as the Issuer may direct the Bond Trustee in writing).

- (c) In this section:

**"Relevant Date"** means:

- (i) in the case of a sale or other disposal of a Vessel, no later than 5 Business Days after the date on which the sale or disposal is completed by delivery of that Vessel to the buyer thereof; and
- (ii) in the case of a Total Loss of a Vessel, on the earlier of:
  - (A) the date falling 180 days after the occurrence of such Total Loss; or
  - (B) no later than 5 Business Days after the date of receipt by the Bond Trustee or the Security Agent (or, in each case, its nominee) of the insurance proceeds relating to such Total Loss in accordance with the terms hereof.

**Security:**

All amounts owing to the Bond Trustee and the Bondholders under the Finance Documents, including (but not limited to) any principal amount and any interest, premiums, fees, costs and expenses accrued in respect of the Bonds, shall (subject to any mandatory limitations arising under any applicable law and the Agreed Security Principles) be secured by the following:

- (a) a first priority pledge by the Issuer of the Escrow Account (the "**Escrow Account Pledge**");
- (b) a first priority pledge by the Parent of all the shares in the Issuer owned by it;

- (c) a first priority assignment (by way of Security) by the Parent of any Shareholder Loans made by it;
- (d) a first priority pledge by each Obligor of all the shares in each Group Company (other than any Dormant Company) owned by it;
- (e) a first priority assignment (by way of Security) by each Obligor of any Intercompany Loans made by it;
- (f) a first priority assignment (by way of Security) by each Vessel Owner and each Chartering SPV of any Earnings payable to it;
- (g) a first priority pledge by each Vessel Owner and each Chartering SPV of any Earnings Account maintained by it;
- (h) a first priority assignment (by way of Security) by the Issuer and each Vessel Owner of their interest in each Vessel's Insurances;
- (i) a first priority or, as the case may be, preferred ship mortgage (each a "**Mortgage**") by each Vessel Owner over each Vessel and, if applicable, a declaration of pledge or deed of covenants collateral thereto, executed by the Vessel Owner in favour of, or entered into or to be entered into by the Vessel Owner with, the Security Agent (in form and substance acceptable to it) and registered against such Vessel on first priority with the applicable Approved Ship Registry; and
- (j) a Guarantee from each Guarantor,

and (where relevant) any Transaction Security Document creating any such Security shall require that the relevant security provider promptly provides similar Security on substantially the same terms over any such future assets acquired by it.

Such Security and Guarantees shall be provided at the following times:

- (i) the Escrow Account Pledge shall be provided not later than two Business Days prior to the Issue Date;
- (ii) the Transaction Security referred to in paragraphs (b) and (c) above shall, subject to any Closing Procedure, be provided not later than at the time of the Disbursement; and
- (iii) the Transaction Security and the Guarantees referred to in paragraphs (d) to (j) above to be provided:
  - (A) by or in respect of the Issuer, each Vessel Owner and any other Group Company (other than any Dormant Company) over any such asset held by it at such date, not later than at the date occurring 60 days after the Disbursement;
  - (B) by or in respect of any Group Company that ceases to be a Dormant Company, not later than at the date occurring 60 days (or, if it ceases to be so during the months of July or August, 90 days) after it ceases to be so;

- (C) by the Issuer, each Vessel Owner or any other Group Company (other than any Dormant Company) in respect of any Additional Vessel acquired or Chartered-in Vessel chartered-in by such Group Company after the date referred to in paragraph (iii)(A) above, not later than 5 Business Days after the delivery to it of such Additional Vessel or Chartered-in Vessel; and
- (D) by the Parent, the Issuer, each Vessel Owner or any other Group Company over any such asset (other than in connection with the acquisition of an Additional Vessel or the chartering-in of a Chartered-in Vessel) acquired by it after the relevant date referred to in paragraphs (ii) or (iii)(A) above (as applicable), and not falling within paragraph (iii)(B) above, not later than at the earlier of (1) the date occurring 60 days (or, if such asset is acquired during the months of July or August, 90 days) after the acquisition of that asset and (2) the date required by the terms of any relevant Transaction Security Document to which the Parent or such Group Company is a party.

The Bond Trustee may (at its sole discretion and in each case) postpone the creation or perfection of, or to the extent provided for in the Agreed Security Principles, waive the creation or perfection of, one or more such Security or Guarantee.

The Security Agent is irrevocably authorised to discharge and release:

- (a) the Escrow Account Pledge once the Disbursement has taken place;
- (b) any Transaction Security created over any asset being disposed of by way of any merger, de-merger, sale or other transaction permitted by the terms hereof; and
- (c) any Guarantee and Transaction Security in connection with the enforcement of any relevant Transaction Security.

**Conditions Precedent:** Conditions Precedent for Settlement:

Payment of the Net Proceeds from the initial Bond Issue into the Escrow Account shall be subject to receipt by the Bond Trustee, not later than two Business Days prior to the Issue Date (or such later date as the Bond Trustee may agree), of the following documents and evidence (in form and content satisfactory to the Bond Trustee):

- (a) the Bond Terms, duly executed by the parties thereto;
- (b) copies of the constitutional documents of the Issuer;
- (c) copies of all corporate resolutions and authorisations of the Issuer required to issue the Bonds, provide the Escrow Account Pledge and execute the Finance Documents to which it is or shall become a party;

- (d) a copy of the register of shareholders of the Issuer;
- (e) the Escrow Account Pledge, duly executed by the parties thereto and perfected in accordance with applicable law;
- (f) copies of the Issuer's latest Financial Reports (if any);
- (g) confirmation that the applicable prospectus requirements (ref. Regulation (EU) 2017/1129) concerning the issuance of the Bonds have been fulfilled;
- (h) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
- (i) confirmation that the Bonds are registered in CSD (by obtaining an ISIN for the Bonds);
- (j) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Arranger in connection with the issuance of the Bonds;
- (k) the Bond Trustee Fee Agreement, duly executed by the parties thereto; and
- (l) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer or the legality, validity and enforceability of the Finance Documents).

Conditions Precedent for Disbursement:

Disbursement of the Net Proceeds from the initial Bond Issue credited to the Escrow Account to the Issuer shall be subject to receipt by the Bond Trustee, not later than at the time of the Disbursement (or such later date as the Bond Trustee may agree (and subject to any Closing Procedure)), of the following documents and evidence (in form and content satisfactory to the Bond Trustee):

- (a) a duly executed release notice from the Issuer in respect thereof (containing, among other, a written confirmation from the Issuer that no Event of Default is continuing or would result from the Disbursement);
- (b) copies of the constitutional documents of the Parent;
- (c) copies of all corporate resolutions and authorisations of the Parent required to provide the Transaction Security and execute the Finance Documents to which it is or shall become a party;
- (d) a copy of the register of shareholders of the Parent;
- (e) evidence that (i) the Existing Debt together with any accrued interest, premiums and fees will be repaid and paid (and any commitment in respect thereof will be cancelled) in full not later than upon the Disbursement and (ii) any guarantee or Security created in respect thereof at the same time will be released and discharged in full, in each case subject to any Closing Procedure;

- (f) any relevant Subordination Agreement, duly executed by the parties thereto;
- (g) the Transaction Security Documents for the provision of the Transaction Security to be provided by the Parent, each duly executed and perfected by the parties thereto together with any notices, acknowledgements, registers of shareholders and other documents which shall be supplied in respect thereof (in each case, subject to any Closing Procedure); and
- (h) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Parent, the Issuer or any other Group Company or the legality, validity and enforceability of any Finance Documents).

Conditions Precedent for the provision of Transaction Security and Guarantees:

The Issuer shall deliver to the Bond Trustee, not later than at the date the Parent or the Issuer or any Vessel Owner, other Obligor or other Group Company shall provide Transaction Security, or, to the extent it has not already done so (but is required to), become a Guarantor pursuant the terms hereof, the following documents and evidence (in form and content satisfactory to the Bond Trustee):

- (a) copies of its constitutional documents;
- (b) copies of all corporate resolutions and authorisations required for it to provide the Transaction Security and (if applicable) the Guarantee and execute the Finance Documents to which it is or shall become a party;
- (c) the Transaction Security Documents for the provision of the Transaction Security to be provided by or in respect of it pursuant to the terms hereof, each duly executed and perfected by the parties thereto together with any notices, acknowledgements, registers of shareholders and other documents which shall be supplied in respect thereof;
- (d) in respect of each additional Guarantor only:
  - (i) a copy of its register of shareholders;
  - (ii) a Guarantee duly executed by the parties thereto; and
  - (iii) evidence that it has acceded to any relevant Subordination Agreement in the proper capacities;
- (e) in respect of each Vessel:
  - (i) copies of the Technical Management Agreements;
  - (ii) a Valuation evidencing the Market Value of that Vessel as of 4 January 2024;
  - (iii) transcripts of registry issued by the relevant Approved Ship Registry evidencing that each Vessel is duly registered in the name of the relevant Vessel Owner, free and clear of any encumbrances other



than the relevant Mortgage, and that the relevant Mortgage has been registered in favour of the Security Agent on first priority;

- (iv) a copy of the class certificate for each Vessel from the relevant Approved Classification Society, confirming that the Vessel is classed with the highest class normally used for such vessels, free of any outstanding recommendations and conditions of class;
  - (v) a copy of the current SMC, ISSC, DOC and Inventory of Hazardous Materials;
  - (vi) copies of Insurance policies/cover notes documenting that insurance cover has been taken out in respect of the Vessel in accordance with paragraph (f) of section "Vessel Undertakings" below; and
  - (vii) a Manager's Undertaking issued to and in favour of the Bond Trustee from any technical manager of any Vessel at the time; and
- (f) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Parent or the Issuer, any Vessel Owner, other Obligor, Guarantor or Group Company or the legality, validity and enforceability of any Finance Documents).

The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of one or more of such conditions precedent.

**Representations and Warranties:**

The Bond Terms shall include:

- (a) representations and warranties (in accordance with the latest version of the Norwegian high-yield standard bond terms) in relation to Group Companies; and
- (b) the following representation and warranty in relation to Valuations:
  - (i) all information supplied by the Issuer, any Vessel Owner or any other Group Company (or, in each case, on its behalf) to an Approved Broker for the purposes of each Valuation delivered to the Bond Trustee pursuant to the terms hereof was in all material respects true, accurate and not misleading as at the date it was supplied or (if appropriate) as at the date (if any) at which it is stated to be given; and
  - (ii) neither the Issuer, any Vessel Owner nor any other Group Company has omitted to supply any information to the Approved Broker which, if disclosed, would adversely affect any Valuation prepared by such Approved Broker in any significant respect,

each of which shall be made on the date of execution of the Bond Terms and deemed to be repeated on the Issue Date, the date of each Disbursement and at each date of issuance of additional Bonds under a Tap Issue.

**General Undertakings:** The Bond Terms shall include the following undertakings by the Issuer:

- (a) **Distributions:** The Issuer shall not, and shall procure that no other Group Company will, make any Distribution other than any Permitted Distribution.
- (b) **Mergers, demergers and other corporate reconstruction:** The Issuer shall not, and shall procure that no other Group Company will, enter into any amalgamation, merger, demerger, consolidation, liquidation or other corporate reconstruction (for the purpose of this paragraph (b) only, each a "**reorganisation**") other than:
- (i) any disposal permitted pursuant to paragraph (d) below;
  - (ii) any solvent liquidation of any Dormant Company, provided that (A) any payments or assets distributed as a result of such liquidation are distributed to another Group Company and (B) no Event of Default is continuing or would result from such liquidation; or
  - (iii) any other solvent reorganisation of any other Group Company (other than the Issuer), provided that:
    - (A) it is carried out at fair market value, on normal commercial terms and would not have a Material Adverse Effect;
    - (B) any payments or assets distributed as a result of such reorganisation are distributed to another Group Company; and
    - (C) if the transferring Group Company had granted Transaction Security over any assets being transferred in connection therewith, the receiving Group Company grants equivalent Transaction Security over those assets on or prior to the completion of that transfer.
- (c) **Acquisitions:** The Issuer shall not, and shall procure that no other Group Company will, acquire (i) any company, business, undertaking, shares or securities or any interest in any of the foregoing or (ii) any Additional Vessels unless (in each case) it is made at fair market value, on normal commercial terms and would not have a Material Adverse Effect.
- (d) **Disposals:** The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of any asset (for the purpose of this paragraph (d) only, each a "**disposal**") other than:
- (i) any disposal (in whole, but not in part) of any Vessel (or all (but not only some) shares or ownership interests in any Vessel Owner), which:
    - (A) is carried out at fair market value and on normal commercial terms, would not have a Material Adverse Effect and is made when no Event of Default is continuing or would result from such disposal; and
    - (B) if made:

- (1) to another Group Company, provided that the receiving Group Company provides Transaction Security over those assets on or prior to the completion of that disposal; or
    - (2) to any person not being another Group Company, provided that the Issuer redeems Bonds to the extent and in the manner set out in section "Mandatory Redemption (Sale or Total Loss)" above; and
  - (ii) any other disposal which is carried out at fair market value and on normal commercial terms, would not have a Material Adverse Effect and is made when no Event of Default is continuing or would result from such disposal.
- (e) **Financial Indebtedness:** The Issuer shall not, and shall procure that no other Group Company will, incur or maintain any Financial Indebtedness other than any Permitted Financial Indebtedness.
- (f) **Negative pledge:** The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist any Security over any of its assets other than any Permitted Security.
- (g) **Financial Support:** The Issuer shall not, and shall procure that no other Group Company will, grant or allow to subsist (i) any loans or credits to any other person or (ii) any guarantees or indemnities in respect of any obligation of any other person, in each case other than any Permitted Financial Support.
- (h) **Share issues:** The Issuer shall procure that no other Group Company will issue any shares, other than to:
- (i) another Group Company; or
  - (ii) any existing minority shareholders of that Group Company, provided that the Group's percentage ownership of the share capital of such Group Company is not reduced due to the carrying out of such share issue,

in each case, provided that to the extent that the existing shares in that Group Company owned by another Group Company were subject to Transaction Security, equivalent Transaction Security shall be created over the new shares acquired by any Group Company on or prior to the completion of that share issue.

- (i) **Continuation of business:** The Issuer shall procure that no substantial change is made to the general nature of the business carried on by it or the Group as of the Issue Date.
- (j) **Corporate status:** The Issuer shall not, and shall procure that no other Obligor will, change its type of organisation or jurisdiction of incorporation.
- (k) **Centre of main interests (COMI):** For the purposes of any applicable laws and regulations relating to insolvency proceedings or any similar

proceedings, the Issuer shall not, and it shall procure that no other Group Company will, change its centre of main interests (COMI).

- (l) **Holding company:** The Issuer shall not trade, carry on any business or own any material assets, except for (i) the provision of administrative or advisory services to other Group Companies of a type customarily provided by a holding company to its Subsidiaries, (ii) the acquisition and ownership of shares in any company, bank accounts, cash and Cash Equivalents, (iii) the granting of any loan or credit to other Group Companies and (iv) any other business or assets, to an extent and in a manner, and of a type, customarily conducted or owned by such a holding company.
- (m) **Authorisations in general:** The Issuer shall, and shall procure that each other Group Company will, obtain, renew and in all material respects comply with, and do all that is necessary to maintain in full force and effect, any licence, authorisation or other consent required to enable it to carry on its business.
- (n) **Insurances in general:** The Issuer shall maintain, and shall procure that each other Group Company will maintain (or, through insurances taken out by the Issuer, have the benefit of), insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- (o) **Compliance with laws in general:** The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations (including, without limitation, any environmental laws, anti-money laundering and anti-corruption laws and Sanctions) to which it may be subject at any time. For the avoidance of doubt, any Vessel will be allowed to visit Cuba, provided that such visit can take place without resulting in any breach of any such laws, regulations or Sanctions referred to above.
- (p) **Arm's length transactions:** Notwithstanding any other provision set out herein, the Issuer shall not, and shall procure that no other Group Company will, enter into any transaction with any other person other than on arm's length terms.
- (q) **Subordinated Loans:** Subject to the terms of a Subordination Agreement, the Issuer shall not, and shall procure that no other Group Company will, (i) repay or prepay any principal amount (or capitalised interest) outstanding under any Subordinated Loan, (ii) pay any interest, fee or charge accrued or due under any Subordinated Loan (other than by way of capitalisation of any such interest, fee or charge) or (iii) purchase, redeem, defease or discharge any amount outstanding under any Subordinated Loan.
- (r) **Pari passu ranking:** The Issuer shall procure that at all times any unsecured and unsubordinated claims of the Bond Trustee and the Bondholders under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except

those creditors whose claims are mandatorily preferred by laws of general application to companies.

- (s) **Subsidiary distribution:** The Issuer shall procure that no other Group Company creates or permits to subsist any contractual restriction on its right to declare, make or pay dividends or other distributions to its shareholders, other than such restrictions which are not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

**Vessel Undertakings:**

- (a) **Ownership:** The Issuer shall at all times be the sole direct legal and beneficial owner of all the shares in each Vessel Owner and procure that each Vessel Owner at all times directly holds all legal title to, and directly owns the entire legal and beneficial interest in, each Vessel, subject to paragraph (d)(i) of section "General Undertakings" above.
- (b) **Earnings Accounts:** The Issuer shall, and it shall procure that each Vessel Owner and Chartering SPV will, procure that all Earnings relating to each Vessel and Chartered-in Vessel are paid directly into an Earnings Account maintained by the relevant Vessel Owner or Chartering SPV.
- (c) **Flag, registry and name:** The Issuer shall procure that each Vessel Owner (i) at all times will maintain the registration of each Vessel in its name with an Approved Ship Registry and (ii) will not, without the prior written consent of the Bond Trustee, change the Approved Ship Registry or name of such a Vessel, or register such a Vessel simultaneously in more than one registry.
- (d) **Maintenance and repairs:** The Issuer shall, and shall procure that each Vessel Owner will procure that each Vessel and all relevant equipment at all times is kept in good and safe condition and state of repair consistent with first class ownership and management practice.
- (e) **Class:**
- (i) The Issuer shall, and shall procure that each Vessel Owner will, (A) procure that each Vessel at all times is classified and maintained in the class normally used for such vessels and with an Approved Classification Society and (B) in all material respects comply with the rules and regulations of the relevant Approved Classification Society without any overdue recommendations and conditions.
- (ii) The Issuer shall, and shall procure that each Vessel Owner will, procure that it promptly sends to the Bond Trustee or the Security Agent, following receipt of a written request from it, copies of all class records held by the relevant Approved Classification Society in relation to any Vessel, and shall promptly provide the Bond Trustee or the Security Agent with copies of any survey reports being issued in respect thereof.
- (f) **Insurances:**
- (i) The Issuer shall, and shall procure that each Vessel Owner will, procure that each Vessel at all times is fully insured, through such

brokers, with such underwriters and/or clubs and on such terms as is customary for such vessels, against:

- (A) fire and usual marine risks (under hull and machinery insurance, hull interest insurance and freight interest insurance) in accordance with the conditions of the International Hull Clauses (01/11/03) or the Nordic Marine Insurance Plan of 2013 (as amended from time to time), with the total agreed insurance value covering the higher of (1) an amount equal to the Market Value of the Vessel (as determined in accordance with the terms hereof) and (2) an amount equal to 120.00 per cent. of the aggregate Nominal Amount of the Bonds outstanding at any time, provided that the hull and machinery insurance (excluding hull interest and freight interest) for that Vessel shall always cover at least 80.00 per cent. of the Market Value of such Vessel;
  - (B) war risks (including terrorism, piracy, confiscation, war protection and indemnity risks, and the London Blocking and Trapping addendum or similar arrangement) in accordance with the full conditions of the International Hull Clauses (01/11/03) or the Nordic Marine Insurance Plan of 2013 (as amended from time to time), with the total agreed insurance value covering the higher of (1) an amount equal to the Market Value of the Vessel (as determined in accordance with the terms hereof) and (2) an amount equal to 120.00 per cent. of the aggregate Nominal Amount of the Bonds outstanding at any time; and
  - (C) full protection and indemnity risks in accordance with the rules of a club that is a member of the International Group of Protection and Indemnity Associations (IGA) to the highest limit of indemnity provided by that club for both oil pollution liability and for other claims.
- (ii) In addition to the Insurances specified above, the Security Agent shall if it deems appropriate take out Mortgagee Interest Insurance and Mortgagee Additional Perils Insurance (Pollution), in each case on competitive market terms, for a minimum amount equal to 120.00 per cent. of the aggregate Nominal Amount of the Bonds outstanding at any time, and the Issuer shall, or shall procure that the Vessel Owners will, reimburse to the Security Agent any and all sums paid as premium in respect of such insurance cover.
  - (iii) The Issuer shall, and shall procure that each Vessel Owner will, procure that the Bond Trustee or the Security Agent is promptly furnished with letters of undertaking and/or cover notes and/or certificates of entry in respect of any such Insurances as required by it.
- (g) **Inspection:**
    - (i) The Issuer shall, and shall procure that each Vessel Owner will, permit the Bond Trustee or the Security Agent (each acting through

surveyors or other persons appointed by it for that purpose), at the Issuer's expense, to board each Vessel, without interfering with the operation of such Vessel in any material respect, to inspect its condition and/or to satisfy itself about any proposed or executed repairs and shall afford all proper facilities for such inspections.

- (ii) The Bond Trustee or the Security Agent may exercise the inspection right in paragraph (i) above no more than once in any 12-month period, provided that if an Event of Default has occurred and is continuing then the Bond Trustee or the Security Agent may, in either such case and for so long as it is continuing, exercise such inspection right at any time.
- (h) **Compliance with laws etc. with respect to Vessels and Chartered-in Vessels:** The Issuer shall, and shall procure that each Vessel Owner and Chartering SPV will, at all times and in all material respects comply, or procure compliance with, all laws or regulations relating to each Vessel and Chartered-in Vessel, its ownership, employment, operation, management and registration including, but not limited to the ISM Code, the ISPS Code, all Environmental Laws and the laws and regulations of the Approved Ship Registry.
- (i) **Technical management:**
- (i) The Issuer shall not, and shall procure that no Vessel Owner will:
    - (A) appoint a technical manager of that Vessel other than an Approved Manager; or
    - (B) in relation to any Vessel, in any material respect amend or supplement, or terminate, a Technical Management Agreement or agree to any material alteration to the terms of an Approved Manager's appointment, to the extent the same would be prejudicial to the rights or interests of the Bond Trustee and/or the Bondholders under the Finance Documents.
  - (i) The Issuer shall, and shall procure that each Vessel Owner will, procure that the technical management of the Vessels is performed by an Approved Manager pursuant to the terms of any Technical Management Agreement in accordance with good industry standards.
  - (ii) The Issuer shall, and shall procure that each Vessel Owner will, procure (A) that any Approved Manager that becomes the technical manager of any Vessel promptly issues a Manager's Undertaking to and in favour of the Bond Trustee, and (B) that any Manager's Undertaking issued pursuant to the terms hereof shall remain in full force and effect for as long as the relevant Approved Manager remains the technical manager of any Vessel.
  - (i) **Restrictions on chartering-in:** The Issuer shall not, and shall ensure that no Group Company will, charter-in any vessels or other units:

- (A) from any (direct or indirect) shareholder of the Issuer or any Affiliate of any such shareholder (not being another Group Company); or
  - (B) from any other counterparty not being a member of the Group, unless the charterer in respect of such vessel or other unit is a Chartering SPV.
- (j) **Prevention of and release from arrest:** The Issuer shall, and shall procure that each Vessel Owner will:
- (i) in respect of each Vessel, promptly discharge (A) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Vessel, its Earnings or its Insurances, (B) all taxes, dues and other amounts charged in respect of that Vessel, its Earnings or its Insurances and (C) all other outgoings whatsoever in respect of that Vessel, its Earnings or its Insurances; and
  - (ii) immediately upon receiving notice of the arrest of a Vessel or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.
- (k) **Inventory of Hazardous Materials:** The Issuer shall, and shall procure that each Vessel Owner will, procure that each Vessel at all times carries an Inventory of Hazardous Materials.

**Permitted Definitions:** "**Permitted Distribution**" means any Distribution made by any Group Company other than the Issuer, provided that (a) such Distribution is made to another Group Company or (b), if made by such a Group Company that is not wholly-owned, is made *pro rata* to its shareholders on the basis of their respective ownership at the same time, provided that no Event of Default is continuing or would result from the making of such Distribution.

"**Permitted Financial Indebtedness**" means any Financial Indebtedness:

- (a) arising under the Finance Documents in respect of the Initial Issue Amount;
- (b) arising under, or to the extent covered by, any guarantee, indemnity, bond, standby or documentary letter of credit or other similar instrument issued by any bank or financial institution in respect of liabilities incurred by any Group Company in the ordinary course of its business, provided that the aggregate nominal amount of all such instruments does not exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time;
- (c) arising under any Shareholder Loans or any Subordinated Loans made:
  - (i) on or prior to the Issue Date; or



- (ii) after the Issue Date when no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness,  
  
in each case, subject to the terms set out herein and a Subordination Agreement;
- (d) up until the Disbursement, in the form of any Existing Debt;
- (e) arising under any loan, guarantee or indemnity permitted by the definition of "Permitted Financial Support", subject to the terms of a Subordination Agreement;
- (f) incurred by the Issuer after the Issue Date by way of a Tap Issue, provided that (i) it complies with the Incurrence Test if tested *pro forma* immediately after the incurrence of such new Financial Indebtedness and (ii) no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness;
- (g) in the form of any seller's credit, earn out, working capital adjustment or other similar arrangement for the adjustment of the purchase price (in each case) on normal commercial terms incurred by the Issuer in relation to any acquisition of any company, business, undertaking, shares or securities (or any interest in any of the foregoing) permitted by the terms hereof, provided that, in the case of any such seller's credit only, it (i) has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date and (ii) is otherwise subordinated to the obligations of the Obligors under the Finance Documents to an extent and in a manner acceptable to the Bond Trustee;
- (h) incurred under any trade credit or advance or deferred purchase agreement (in each case) on normal commercial terms by any Group Company towards any of its trading partners in the ordinary course of its trading activities;
- (i) in the form of any Finance Lease, provided that the aggregate capital value of all items so leased or hired does not exceed EUR 2,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time;
- (j) of any person acquired by a Group Company after the Issue Date (incurred prior to the closing date of the acquisition), provided that such Financial Indebtedness is repaid in full within 90 days of the date of such acquisition;
- (k) arising under any hedging or other derivative transaction for the protection against or benefit from the fluctuation in any rate or price entered into in the ordinary course of business by a Group Company and not for speculative purposes;
- (l) the proceeds of which shall be applied towards a refinancing of the Bonds in whole or part, provided that such proceeds are held in a blocked escrow account which is not accessible to the Issuer or any other Group Company unless and until such refinancing of the Bonds (together with any accrued

interest and any other amounts payable under the Finance Documents in respect thereof) takes place in full; or

- (m) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

**"Permitted Financial Support"** means:

- (a) any guarantee or indemnity granted under the Finance Documents;
- (b) up until the Disbursement, any guarantee or indemnity granted in respect of any Existing Debt;
- (c) any guarantee or indemnity in respect of any such Financial Indebtedness permitted under paragraph (j) of the definition of "Permitted Financial Indebtedness" granted (prior to the closing date of the acquisition) by any person acquired by a Group Company after the Issue Date, provided that such guarantee or indemnity is discharged and released in full upon the repayment of such Financial Indebtedness as set out therein;
- (d) any guarantee or indemnity permitted under the definition of "Permitted Financial Indebtedness";
- (e) any loan or credit granted by any Group Company to another Group Company (other than a Dormant Company), subject (if applicable) to the terms of a Subordination Agreement;
- (f) any guarantee by any Group Company of the obligations of another Group Company (other than a Dormant Company) on normal commercial terms and subject to customary limitations;
- (g) any trade credit extended by any Group Company to its customers, or any advance payment made by any Group Company to any of its suppliers or trading partners, in each case, on normal commercial terms and in the ordinary course of its trading activities;
- (h) any performance or similar bond guaranteeing performance by any Group Company under any contract entered into in the ordinary course of business;
- (i) any guarantee given in respect of any netting or set-off arrangements permitted under paragraph (d) of the definition of "Permitted Security";
- (j) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction permitted by the terms hereof, which indemnity is on normal commercial terms and subject to customary limitations;
- (k) any loan or credit in the form of any seller's credit, earn out, working capital adjustment or other similar arrangement for the adjustment of the purchase price (in each case) on normal commercial terms granted by any

Group Company as part of any disposal permitted pursuant to paragraph (d) of section "General Undertakings" above;

- (l) granted in accordance with the requirements of the Technical Management Agreements; or
- (m) any loans, credits, guarantees or indemnities not permitted by the preceding paragraphs which do not (in total) exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

**"Permitted Security"** means any Security:

- (a) created under the Finance Documents;
- (b) up until the Disbursement, created in respect of any Existing Debt;
- (c) arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (d) in the form of any netting or set-off arrangement entered into by any Group Company for the purpose of netting debit and credit balances of Group Companies in the ordinary course of its banking arrangements;
- (e) in the form of rental deposits on normal commercial terms in respect of any lease of real property entered into by any Group Company;
- (f) arising as a consequence of any Finance Lease permitted pursuant to paragraph (i) of the definition of "Permitted Financial Indebtedness";
- (g) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (h) in respect of any such Financial Indebtedness permitted under paragraph (j) of the definition of "Permitted Financial Indebtedness" created (prior to the closing date of the acquisition) by any person acquired by a Group Company after the Issue Date, provided that such Security is discharged and released in full upon the repayment of such Financial Indebtedness as set out therein;
- (i) affecting any asset acquired by any Group Company after the Issue Date, provided that such Security is discharged and released in full within 90 days of such acquisition;
- (j) in the form of any payment or close out netting or set-off arrangement (excluding, for the avoidance of doubt, any credit support arrangement) pursuant to any hedging or other derivative transaction permitted under paragraph (k) of the definition of "Permitted Financial Indebtedness";
- (k) in the form of any cash collateral granted, on normal commercial terms and subject to customary limitations, as security for (i) any hedging or other derivative transaction for the protection against or benefit from the

fluctuation in (A) any foreign exchange rate, up to an amount of EUR 3,000,000 (or its equivalent in other currencies) or (B) the price of fuel for the Vessels or Chartered-in Vessels, in each case entered into in the ordinary course of business and not for speculative purposes, or (ii) any guarantee, indemnity, bond, standby or documentary letter of credit or other similar instrument issued by a bank or financial institution that is either (A) permitted by paragraph (b) of the definition of "Permitted Financial Indebtedness" or (B) in the form of a Trade Instrument;

- (l) in the form of any Permitted Maritime Lien;
- (m) in the form of a pledge over an escrow account (or similar escrow arrangement) created in respect of such a refinancing in whole or part of the Bonds as described in paragraph (l) of the definition of "Permitted Financial Indebtedness"; or
- (n) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any Group Company other than any permitted under the preceding paragraphs) does not exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

**Financial Maintenance Covenants:**

The Issuer shall ensure that:

- (a) **Vessel LTV Ratio:** the Vessel LTV Ratio at all times is equal to or less than 55.00 per cent. (the "**Maximum Vessel LTV Ratio**");
- (b) **Leverage:** Leverage, in respect of each successive Relevant Period ending at 31 December 2025 or thereafter, does not at any time exceed 5.50:1;
- (c) **Minimum Liquidity:** the Liquidity at all times equals or exceeds an amount equal to 5.00 per cent. of the aggregate Nominal Amount of the Bonds outstanding at the time; and
- (d) **Equity Ratio:** the Equity Ratio at all times is equal to or greater than 30.00 per cent.

**Remedy of Vessel LTV Ratio:**

- (a) Upon the earlier of (i) the Issuer becoming aware that the Vessel LTV Ratio is more than the Maximum Vessel LTV Ratio and (ii) the Issuer being notified thereof by the Bond Trustee, the Issuer shall either:

- (A) on or prior to the date falling 20 Business Days after the date of becoming so aware or receiving such notice (as applicable) (the "**Vessel LTV Redemption Date**"), redeem such number of Bonds as shall be required to reduce the Vessel LTV Ratio to no more than the Maximum Vessel LTV Ratio, at a price equal to (1), if such redemption of Bonds takes place during the period commencing on the Issue Date and ending on the last date to occur before the First Call Date, the Call Price that would have applied if such redemption had taken place by way of a Call Option at the First Call Date, and (2), if such redemption of Bonds takes

place after such period, the Call Price that would have applied if such redemption had taken place by way of a Call Option at such time (plus accrued and unpaid interest on the redeemed Bonds); or

(B) on or before the Vessel LTV Redemption Date, provide (or ensure that any other Group Company provides) additional Security which, in the reasonable opinion of the Bond Trustee:

(1) has a net realisable value in an amount that, if included in the aggregate Market Value of the Vessels for the purposes of the Vessel LTV Ratio, would reduce the Vessel LTV Ratio to no more than the Maximum Vessel LTV Ratio; and

(2) is documented in such terms as the Security Agent may approve or require.

(b) **Value of additional Vessel Security:** The net realisable value of any additional Security which is provided under paragraph (a) above and which consists of a first priority or first preferred mortgage over a Vessel shall be the Market Value of that Vessel.

**Remedy of Leverage and Equity Ratio:**

(a) For the purpose of this provision:

(i) **"Cure Period"** means the period ending 15 Business Days after the original due date for delivery of the compliance certificate for the Relevant Period in respect of which the relevant cure is (or is to be) made; and

(ii) **"New Shareholder Injection"** means the aggregate of (A) any amount subscribed for by the Parent for ordinary shares in the Issuer and (B) any Shareholder Loan.

(b) If the Issuer at any time:

(i) becomes aware that it may not comply with:

(A) the Leverage requirement under paragraph (b); and/or

(B) the required Equity Ratio under paragraph (d),

in each case, of section "Financial Maintenance Covenants" above; or

(ii) fails to comply with any such requirement,

then the Issuer shall have the right (but not the obligation) to procure that such potential or actual breach is cured by a New Shareholder Injection made for such purpose during the relevant Cure Period, so that the amount of such New Shareholder Injection shall for the purpose of:

- (i) the Leverage requirement only, be deducted from the amount of Total Net Debt; and
- (ii) the required Equity Ratio only, be included in the calculation of each of Total Assets and Total Equity,

and, in each case, be deemed to have been received by the Issuer on the last day of the Relevant Period in respect of which the relevant cure is (or is to be) made (in each case, without double counting), whereupon the said requirement shall be recalculated.

- (c) If the Issuer receives a New Shareholder Injection in accordance with paragraph (b) above, it shall immediately supply a revised compliance certificate to the Bond Trustee evidencing compliance with the Leverage requirement and/or the required Equity Ratio (as applicable) after taking into account the cure made in accordance with this provision. If, after making such recalculation, the relevant requirements are complied with, then such requirements shall be deemed to have been complied with at the relevant testing date (as though there had been no failure to comply with such requirements at such date) and no Event of Default shall be deemed to have occurred as a result or in respect thereof.
- (d) Only one New Shareholder Injection may be made (in total) for the purposes set out in this provision during the term of the Bonds.

**Incurrence Test:**

The Incurrence Test is met if:

- (a) the Vessel LTV Ratio is equal to or less than 45.00 per cent.; and
- (b) with effect from and including each Relevant Period ending at 31 December 2025 or thereafter only, Leverage does not exceed 5.50:1,

in each case, at the relevant time.

**Calculations and Adjustments to the Ratios:**

The requirements forming part of:

- (a) the Financial Maintenance Covenants shall be calculated and tested as at the last day of each consecutive Relevant Period, provided that:
  - (i) the Leverage requirement under paragraph (b) of section "Financial Maintenance Covenants" above, shall be tested for the first time at the last day of the Relevant Period ending on 31 December 2025; while
  - (ii) all the other Financial Maintenance Covenants, shall be tested for the first time at the last day of the Relevant Period ending on 31 March 2024;
- (b) any Incurrence Test shall be calculated as at a testing date determined by the Issuer falling no earlier than one month prior to the event in respect of which the Incurrence Test shall be made; and

- (c) both the Financial Maintenance Covenants and any Incurrence Test shall (unless otherwise set out below) be:
- (i) tested with reference to the relevant Financial Report (and the compliance certificate relating thereto); and:
  - (ii) calculated in accordance with the Accounting Standard, accounting practices and financial reference periods consistent with those applied in its first set of Financial Reports published (or delivered) pursuant to the terms hereof (unless, there has been a change in that Accounting Standard or those accounting practices, and the Issuer delivers to the Bond Trustee a statement (in form and content satisfactory to the Bond Trustee) (A) describing in reasonable detail any change necessary for the Financial Report referred to in paragraph (c)(i) above to reflect the Accounting Standard or accounting practices upon which such first set of Financial Reports were prepared and (B) confirming that the relevant Financial Maintenance Covenants or Incurrence Test (as applicable) would still have been complied with had such changes not been made).

For the purpose of calculating the requirements forming part of:

- (a) the Financial Maintenance Covenants, the Total Net Debt shall be calculated as at the last day of the applicable Relevant Period;
- (b) any Incurrence Test, the Total Net Debt shall be calculated as at the relevant testing date with the following adjustments:
  - (i) the full (i.e. unutilised and utilised) commitment or facility of any new Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Total Net Debt;
  - (ii) any cash balance resulting from the incurrence of such new Financial Indebtedness shall not reduce the Total Net Debt; and
  - (iii) in the case of the Vessel LTV Ratio only, if the net proceeds from the Tap Issue to be made based on such Incurrence Test shall be applied towards the financing of the acquisition of an Additional Vessel, the net purchase price of that Additional Vessel shall be added to the aggregate Market Value of the Vessels;
- (c) the Financial Maintenance Covenants and any Incurrence Test:
  - (i) the Vessel LTV Ratio forming part of the Financial Maintenance Covenants shall be based on a Valuation to be dated no earlier than 6 months prior to the date of such test;
  - (ii) any Vessel LTV Ratio forming part of any Incurrence Test shall be based on a Valuation to be dated no earlier than the most recent Quarter Date; and

- (iii) EBITDA shall be calculated by reference to the amount of EBITDA derived from the relevant Financial Report for the applicable Relevant Period (and the compliance certificate relating thereto) with the following adjustments (where no amount shall be included or excluded more than once):
- (A) any company, business or undertaking acquired, disposed of or otherwise discontinued by the Group during such Relevant Period, or, in the case of any Incurrence Test only, after the end of that Relevant Period but on or before the relevant testing date, shall be included or excluded (as applicable) *pro forma* for the entire period;
  - (B) any company, business or undertaking to be acquired with the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall, in the case of any Incurrence Test only, be included, *pro forma*, for the entire period; and
  - (C) if the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall be applied towards the financing of the acquisition of an Additional Vessel, then in respect of: (1) [Leverage forming part of](#) any Financial Maintenance Covenants that includes any Relevant Period ending on or before the date falling 12 months after the commencement of operations of that Additional Vessel; and (2) [Leverage forming part of](#) that Incurrence Test, the applicable Relevant Period, EBITDA shall be adjusted *pro forma* by including the full year contributions from such Additional Vessel to EBITDA as projected in good faith by the chief financial officer of the Issuer on the basis of relevant historic accounting figures and forecasts and assumptions which are reasonable at the time and supported by a confirmation from an auditor from one of the "big four" international auditing firms or a reputable third party industry specialist approved by the Bond Trustee.

**Information  
Undertakings:**

The Bond Terms shall include information undertakings (in accordance with the latest version of the Norwegian high-yield standard bond terms).

The Issuer shall, and shall ensure that each other Group Company will:

- (a) promptly upon becoming aware of them, send the Bond Trustee and the Security Agent all relevant information in circumstances where any Vessel is destroyed or materially damaged and any event or circumstance affecting such Vessel or the Transaction Security created in respect of any Vessel;
- (b) promptly report the details of any arrest or detention of any Vessel or any exercise or purported exercise of a lien or other claim against a Vessel or any Earnings in respect of a Vessel or a Chartered-in Vessel or under any Insurances to the Bond Trustee;



- (c) promptly report any Group Company becoming or ceasing to be a Dormant Company to the Bond Trustee; and
- (d) promptly upon becoming aware of it, the Vessel LTV Ratio being more than the Maximum Vessel LTV Ratio.

The Issuer shall, at its own cost, provide or procure that there shall be provided to the Bond Trustee two Valuations for each Vessel, each from an Approved Broker, addressed to the Bond Trustee, to enable the Market Value of that Vessel to be determined:

- (a) on a semi-annual basis, together with each compliance certificate to be made available by the Issuer pursuant to section "Information undertakings" below in respect of its Interim Accounts for the Financial Quarters ending 30 June and 31 December in each of its Financial Years; and
- (b) following the occurrence of an Event of Default that is continuing or if the Vessel LTV Ratio is above the relevant threshold as set out in paragraph (a) above, at any time requested by the Bond Trustee in its absolute discretion.

The Bond Trustee may otherwise request that the Issuer provides to it, at the cost of the instructing Bondholders, such additional Valuations as any instructing Bondholder(s) may reasonably request.

The Issuer shall prepare:

- (a) its Annual Financial Statements and make them available as soon as they become available and, in any event, not later than four months after the end of each of its Financial Years, for the first time for the Financial Year 2023; and
- (b) its Interim Accounts and make them available as soon as they become available and, in any event, not later than two months after the end of each Financial Quarter of each of its Financial Years, for the first time for the first Financial Quarter to end after the Issue Date,

in each case, in the English language and make them available on its website or another relevant information platform.

Each set of such Financial Reports shall be prepared in accordance with the Accounting Standard consistently applied (unless expressly disclosed to the Bond Trustee in writing to the contrary).

The Issuer shall supply a compliance certificate (in form and content satisfactory to the Bond Trustee) signed by the chief executive officer or the chief financial officer of the Group to the Bond Trustee:

- (a) in respect of each Financial Report to be made available pursuant to the terms hereof, promptly upon the making available of such Financial Report (which shall contain figures and calculations evidencing (in reasonable

detail) compliance with the Financial Maintenance Covenants in respect of the applicable Relevant Period); and

- (b) in respect of each Incurrence Test to be made pursuant to the terms hereof, promptly upon the making of that Incurrence Test (which shall contain figures and calculations evidencing (in reasonable detail) compliance with the relevant Incurrence Test).

The Bond Trustee may make any such compliance certificate and (subject to any applicable disclosure restrictions required by the relevant Approved Broker) any Valuation available to the Bondholders.

**Events of Default:**

The Bond Terms shall include events of default provisions (in accordance with the latest version of the Norwegian high-yield standard bond terms) and (where applicable) with standard remedy periods in relation to Group Companies and, to the extent applicable, the Parent, and where the cross default provision will be subject to a threshold in the total amount of EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group and the Parent. An additional event of default provision shall be added for any breach of any Financial Maintenance Covenants that are not remedied pursuant to the terms hereof.

**Tap Issue:**

Subject to the terms set out herein, the Issuer may on one or more occasions issue additional Bonds under the Bond Issue (each a "**Tap Issue**") until the aggregate Nominal Amount of all additional Bonds equals the Maximum Issue Amount less the aggregate Nominal Amount of all Bonds issued on the Issue Date. The additional Bonds issued in a Tap Issue shall be subject to the terms of the Bond Terms and have the same rights as the Bonds issued under the Initial Issue Amount. Any such additional Bonds may (at the Issuer's discretion) be issued at a discount or at a premium relative to the Issue Price as set out above. The Bond Trustee shall prepare an addendum to the Bond Terms evidencing the terms of each Tap Issue (each a "**Tap Issue Addendum**").

If the Bonds are listed on the Regulated Exchange and there is a requirement for a new prospectus for such additional Bonds to be listed together with the existing Bonds, the additional Bonds may be issued under a separate ISIN (such Bonds being referred to as the "**Temporary Bonds**"). Upon the approval of the prospectus by the Regulated Exchange, the Issuer shall (a) notify the Bond Trustee, the Regulated Exchange and the Paying Agent and (b) ensure that the Temporary Bonds are converted into the ISIN for the existing Bonds.

**Other Definitions:**

"**Account Bank**" means Santander, Barclays or any other any reputable and creditworthy bank approved in writing by the Bond Trustee.

"**Accounting Standard**" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated, including IFRS.

"**Additional Vessel**" means any second hand passenger cruise ship acquired by such a Group Company as referred to in paragraph (b) of the definition of "Vessel Owner" with the proceeds of (a) any Liquidity in excess of the minimum Liquidity threshold in section "Financial Maintenance Covenants" above, (b) any amount subscribed for by the Parent for ordinary shares in the Issuer for such purpose, (c) any Shareholder Loans or Subordinated Loans being provided to the Issuer for such purpose and/or (d) any Tap Issue made for such purpose. Any Additional Vessels shall be subject to the Additional Vessel Security and the acquisition of any

Additional Vessels shall be subject to delivery of the Additional Vessel Security (in relation to such Additional Vessel and any new or relevant Vessel Owner) in accordance with the terms hereof.

**"Additional Vessel Security"** means any Security created pursuant to paragraph (iii)(C) of section "Security" above.

**"Affiliate"** means, in relation to any person:

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

**"Agreed Security Principles"** means the security principles set out in Schedule 1 hereto.

**"Annual Financial Statements"** means the audited consolidated annual financial statements of the Issuer for each of its Financial Years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

**"Approved Broker"** means any of Artemis Maritime Consultants GmbH & Co. KG, Høegh Persen and Partners A/S, Rocca & Partners SRL or any Affiliate of such person through which vessel valuations are commonly issued, and any other reputable independent sale and purchase broker proposed by the Issuer and approved by the Bond Trustee.

**"Approved Classification Society"** means DNV GL or such other classification society (being a member of the International Association of Classification Societies (IACS)) approved by the Bond Trustee.

**"Approved Manager"** means any of Bernhard Schulte Shipmanagement, Columbia Shipmanagement, V.Ships, Wilhelmsen Ship Management and any other reputable independent technical manager proposed by the Issuer and approved by the Bond Trustee.

**"Approved Ship Registry"** means the ship registry of Bahamas or such other ship registry as approved by the Bond Trustee.

**"Bond Trustee Fee Agreement"** means the agreement entered into between the Issuer and the Bond Trustee relating to, among others, the fees to be paid by the Issuer to the Bond Trustee for its obligations under the Bond Terms.

**"Bondholder"** means a person who is registered in CSD as directly registered owner or nominee holder of a Bond, subject to the terms of the Bond Terms.

**"Bonds"** means (a) the debt instruments issued by the Issuer under the Bond Issue and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of CSD from time to time.

**"Business Day"** means a day on which both the relevant CSD settlement system is open and which is a TARGET Day.

**"Cash"** means, at any time, any cash deposited on any bank account held by any Group Company with any reputable and creditworthy bank (including the Escrow Account and any Earnings Account) which is unencumbered (except for any Transaction Security created pursuant to the terms hereof) and freely and immediately available to such Group Company to be applied in redemption or repayment of the Bonds at the time.

**"Cash Equivalents"** means, at any time, any short-term, low risk and highly liquid investments in money market instruments having a maturity of three months or less held by any Group Company which are unencumbered (except for any Transaction Security created pursuant to the terms hereof) and freely available to such Group Company to be converted to Cash within 30 days and applied in redemption or repayment of the Bonds at the time.

**"Chartered-in Vessel"** means, at any time, any vessel or other unit chartered-in to the Group by a Chartering SPV.

**"Chartering SPV"** means a single purpose limited liability company, which is a wholly-owned and directly-owned Subsidiary of the Issuer and the charterer of a Chartered-in Vessel.

**"Closing Procedure"** means any closing procedure in respect of the Bond Issue agreed between, among others, the Issuer and the Bond Trustee.

**"Decisive Influence"** means a person having, as a result of an agreement or through the ownership of shares or ownership 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.

**"Disbursement"** means the disbursement of the Net Proceeds of the initial Bond Issue from the Escrow Account to the Issuer as set out in section "Conditions Precedent for Disbursement".

**"Distribution"** means, in respect of any Group Company, (a) any declaration, making or payment of any dividend, charge, fee or other distribution (or any interest on any unpaid dividend, charge, fee or other distribution) on or in respect of its share capital (or any class thereof), (b) any repayment or distribution of any dividend or share premium reserve, (c) any payment of any management, advisory or other fee to or to the order of any of its (direct or indirect) shareholders or any Affiliate thereof, (d) any redemption, repurchase, defeasance, retirement or repayment of its share capital or the making of any resolution to do so and (e) any prepayment, repayment, purchase, redemption, defeasance or other discharge of any Shareholder Loan or any payment of any interest, fee, charge or premium accrued in respect thereof.

**"DOC"** means a valid document of compliance issued for a Vessel under the ISM Code.

**"Dormant Company"** any Group Company for as long as it (a) does not hold or own any significant assets, (b) is not involved in any kind of operations or business activities and (c) does not receive any kind of income.

**"Earnings"** means, in relation to any Vessel or Chartered-in Vessel, all moneys which are now, or later become, payable (actually or contingently) to a Group Company, the Bond Trustee or the Security Agent and which arise out of the use of or operation of that Vessel or Chartered-in Vessel, including (but not limited to):

- (a) all freight, hire and passage moneys payable to a Group Company including (without limitation) payments of any nature under any charter, pool management contract or agreement for the employment, use, possession, management and/or operation of that Vessel or Chartered-in Vessel;
- (b) any claim under any guarantees related to freight and hire payable to a Group Company as a consequence of the operation of that Vessel or Chartered-in Vessel;
- (c) compensation payable to a Group Company in the event of any requisition of that Vessel or Chartered-in Vessel or for the use of that Vessel or Chartered-in Vessel by any government authority or other competent authority;
- (d) remuneration for salvage, towage and other services performed by that Vessel or Chartered-in Vessel payable to a Group Company;
- (e) demurrage and retention money receivable by a Group Company in relation to that Vessel or Chartered-in Vessel;
- (f) all moneys which are at any time payable under the Insurances in respect of loss of earnings or otherwise;
- (g) if and whenever that Vessel or Chartered-in Vessel is employed on terms whereby any moneys falling within paragraphs (a) to (f) above are pooled or shared with any other person (always subject to the consent of the Bond Trustee), that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Vessel or Chartered-in Vessel; and
- (h) any other money whatsoever due or to become due to a Group Company from third parties in relation to that Vessel or Chartered-in Vessel.

**"Earnings Account"** means any account held by any Vessel Owner or Chartering SPV with the Account Bank designated as an "Earnings Account" by the Issuer or that Vessel Owner or Chartering SPV and the Bond Trustee from time to time, into which all Earnings shall be paid and which shall be pledged as set out in section "Security" above, but not blocked unless an Event of Default has occurred.

**"EBITDA"** means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;
- (b) not including any accrued interest owing to any Group Company;
- (c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of any Group Company;
- (d) before taking into account any exceptional, one off, non-recurring or extraordinary items up to an aggregate amount for the Group equal to 10.00 per cent. of EBITDA (prior to making any adjustments for the type of items in question);
- (e) before deducting any fees, costs and expenses, stamp, registration and other taxes incurred by any Group Company in connection with the Bond Issue or any Tap Issue;
- (f) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (g) plus or minus the Group's share of the profits or losses (after finance costs and tax) of any investment or entity (which is not itself a Group Company (including associates and Joint Ventures)) in which any Group Company has an ownership interest;
- (h) before taking into account any unrealised gains or losses on any derivative or financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (i) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;
- (j) before taking into account any income or charge attributable to a post-employment benefit scheme (other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme);
- (k) after adding back insurance proceeds relating to business interruption, third-party liability insurance or other loss, liability, casualty or similar insurance (to the extent that the relevant loss, costs or liability would otherwise reduce the operating profit or net income of the Group);
- (l) after adding back any costs or provisions relating to any share option or incentive schemes of the Group; and
- (m) after adding back any fees, costs or charges of a non-recurring nature related to any equity offering, acquisitions, compensation payments to departing management, investments (including any joint venture) or Financial Indebtedness (whether or not successful),

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

**"Environmental Law"** means any present or future law relating to pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

**"Environmentally Sensitive Material"** means and includes all contaminants, oil, oil products, toxic substances and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous.

**"Equity Ratio"** means the ratio of Total Equity to Total Assets.

**"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**"Exchange"** means:

- (a) in respect of the Bonds,
  - (i) Nordic ABM (being the Alternative Bond Market of Oslo Stock Exchange) ("**Nordic ABM**"); and
  - (ii) the Oslo Stock Exchange (No.: *Oslo Børs*) (the "**Regulated Exchange**"); and
- (b) in respect of the shares in the Parent or any of its (direct or indirect) holding companies, any (i) 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); (ii) multilateral trading facility as such term is understood in accordance with MiFID II and MiFIR or (iii) UK multilateral trading facility as such term is understood in accordance with MiFIR as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR).

**"Existing Debt"** means any principal amount together with any accrued interest, premiums and fees and all other amounts accrued and outstanding under the EUR 36,000,000 Secured Note Issuance and Purchase Agreement dated 31 October 2022 between, among others, Wake Asset Co Ltd as issuer and Whitby Ambassador Lender, LLC as agent (as the same may have been subsequently amended, restated and/or supplemented), under which the aggregate outstanding principal amount as at the Issue Date is approximately EUR 34,260,000.

**"Finance Documents"** means the Bond Terms, the Bond Trustee Fee Agreement, the Guarantees, any Subordination Agreement, any Tap Issue Addendum, the Transaction Security Documents and any other document designated as such by the Issuer and the Bond Trustee.

**"Finance Lease"** means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Standard, be treated as a balance sheet liability, provided that any charter or other contract of employment entered into in

respect of a vessel on arm's length terms in the ordinary course of business shall not be deemed to be a Finance Lease.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of any bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease which would, in accordance with the Accounting Standard, be capitalised 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 the Accounting Standard 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 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 similar instrument issued by a bank or financial institution in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity 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 shares which are redeemable (other than at the option of the issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) the primary reason behind entering into the agreement is to raise finance or (ii) 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 classified as borrowings under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.



**"Financial Quarter"** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

**"Financial Report"** means the Annual Financial Statements or the Interim Accounts.

**"Financial Year"** means the annual accounting period of the Group ending on 31 March in each year.

**"Guarantee"** means a Norwegian law guarantee (No.: *selvskyldnergaranti*) to be issued by each Guarantor (each of which shall be in form and content satisfactory to the Bond Trustee).

**"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 statements.

**"Insurances"** means all policies and contracts of insurance (including all entries in protection and indemnity or war risks associations) which are from time to time taken out or entered into in respect of or in connection with a Vessel in accordance with paragraph (f) of section "Vessel Undertakings" above.

**"Intercompany Loan"** means:

- (a) for the purpose of any Transaction Security to be created pursuant to the terms hereof, any loan or credit made by an Obligor to any other Group Company; and
- (b) for the purpose of any relevant Subordination Agreement, any loan or credit made by any Group Company to any Obligor,

in each case, where (i) the loan or credit is (or is scheduled to be) outstanding for at least 12 months and (ii) the principal amount thereof (either singly or together with a series of related loans or credits) is at least equal to EUR 2,000,000 (or its equivalent in other currencies), provided that Earnings shall not be deemed to be Intercompany Loans.

**"Interim Accounts"** means the unaudited consolidated quarterly financial statements of the Issuer for each Financial Quarter in each of its Financial Years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

**"Inventory of Hazardous Materials"** means, in relation to any Vessel, a statement of compliance issued by the relevant Approved Classification Society and which includes a list of any and all materials known to be potentially hazardous utilised in the construction of the Vessel.

**"Investor"** means Njord Partners LLP or any funds controlled, managed or advised by it.

**"IPO"** means the earlier to occur of (a) any initial public offering of shares in the Parent or any of its (direct or indirect) holding companies (in connection with any such listing referred to in paragraph (b)) and (b) any listing of any part of the share

capital of the Parent or any of its (direct or indirect) holding companies at any Exchange.

**"ISM Code"** means the International Management Code for Safe Operation of Ships and for Pollution Prevention, as adopted by the International Maritime Organisation (including the guidelines on its implementation), as any of the same may be amended, supplemented or replaced from time to time.

**"ISPS Code"** means the International Ship and Port Facility Security Code, as adopted by the International Maritime Organisation, as the same may be amended, supplemented or replaced from time to time.

**"ISSC"** means a valid international ship security certificate for any Vessel insured under the ISPS Code.

**"Leverage"** means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of such Relevant Period (in each case, calculated and adjusted as set out herein).

**"Liquidity"** means, at any time, the aggregate of any Cash and Cash Equivalents at the time.

**"Manager's Undertaking"** means, with respect to an Approved Manager, a subordination statement, in form and substance acceptable to the Bond Trustee, whereby that Approved Manager (a) subordinates its claims under any Technical Management Agreement to which it is a party (provided that ordinary course payments may be made until the occurrence of an Event of Default) and in respect of the Insurances (in each case) to the obligations of the Obligors under the Finance Documents and (b) grants customary termination rights in respect of such Technical Management Agreement in case of the occurrence of an Event of Default to the Bond Trustee.

**"Market Value"** means, in relation to any Vessel at any date, an amount equal to the arithmetic mean of the market value of that Vessel shown by two Valuations, each of which shall be prepared:

- (a) and dated at a date occurring no more than 15 calendar days prior to the date on which it is to be provided or made available pursuant to the terms hereof;
- (b) by an Approved Broker appointed by (and at the cost of) the Issuer;
- (c) if:
  - (i) an Event of Default is continuing, with or without physical inspection of that Vessel (as the Bond Trustee or the Security Agent may reasonably require); and
  - (ii) in all other cases pursuant to the terms hereof, without physical inspection of that Vessel; and

- (d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any charter or other contract for employment,

and further provided that, in respect of any redemption of Bonds required to be made by the Issuer under section "Mandatory Redemption (Sale or Total Loss)" above, if any Vessel has become the subject of a Total Loss, the market value attributable to such Vessel for the purposes of calculating the Vessel LTV Ratio (and thus the Pro Rata Proportion) shall be the lower of:

- (A) the market value determined for that Vessel pursuant to the foregoing prior to the occurrence of such Total Loss; and
- (B) the amount of the insurance proceeds to be claimed (and admitted by the relevant insurers) in relation to such Vessel in respect of such Total Loss.

**"Material Adverse Effect"** means a material adverse effect on (a) the ability of the Parent or any of the Obligors to perform and comply with its obligations under any of the Finance Documents or (b) the validity or enforceability of any of the Finance Documents.

**"Net Proceeds"** means the proceeds from the issuance of any Bonds (net of fees and legal costs of the Arranger and, if required by the Bond Trustee, the Bond Trustee's fees, and any other costs and expenses incurred in connection with the issuance of such Bonds).

**"Permitted Maritime Lien"** means:

- (a) any lien for master's, officer's or crew's wages in accordance with first class ship ownership and management practice and not being enforced through arrest;
- (b) any lien on any Vessel for salvage;
- (c) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice and not being enforced through arrest;
- (d) liens arising in the ordinary course of trading, repair or maintenance of any Vessel or by operation of law:
- (i) not as a result of any default or omission by the Issuer or the relevant Vessel Owner; and
- (ii) not being enforced through arrest,

provided that any such lien secures amounts which are not more than 30 days overdue or which are being contested in good faith by appropriate proceedings diligently conducted (and for the payment of which adequate reserves have been provided) so long as any such proceedings or the continued existence of such lien do not involve any likelihood of the sale, forfeiture or loss of, or of any interest in, any Vessel owned by or chartered

to the Issuer, the relevant Vessel Owner or any other Group Company;  
and

- (e) liens arising by operation of law securing liabilities for taxes against which adequate reserves have been provided.

**"Permitted Transferee"** means any person approved for the relevant purpose contemplated in section "Change of Control" by the holders of a simple majority (i.e. 50.00 per cent.) of the Bonds in accordance with the applicable voting provisions set out in the Bond Terms.

**"person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**"Pro Rata Proportion"** means, with respect to any Vessel, a *pro rata* amount of the Bonds that bears the same proportion to all outstanding Bonds (prior to the relevant redemption) as the Market Value of that Vessel bears to the aggregate Market Value of all the Vessels.

**"Quarter Date"** means each of 31 March, 30 June, 30 September and 31 December.

**"Relevant Period"** means each consecutive period of twelve months ending on or about the last day of each Financial Year and each consecutive period of twelve months ending on or about the last day of each Financial Quarter.

**"Repayment Date"** means (a) the settlement date for (i) any voluntary redemption of Bonds determined by the Issuer pursuant to the terms hereof (or a date agreed upon between the Bond Trustee and the Issuer in connection therewith), (ii) any mandatory redemption of Bonds pursuant to the terms hereof or (iii) any repurchase of Bonds pursuant to the terms hereof or (b) the Maturity Date.

**"Sanctions"** means:

- (a) any trade, financial or economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority; and
- (b) any other law enabling legislation, executive order or regulation in relation to paragraph (a) above.

**"Sanctions Authority"** means:

- (a) the United States;
- (b) the Norwegian Ministry of Foreign Affairs;
- (c) the Security Council of the United Nations;
- (d) the European Union and each member state thereunder;

- (e) the United Kingdom; and
- (f) the respective government authorities of any of the foregoing, including without limitation the US Department of the Treasury's Office of Foreign Assets Control (OFAC), the US Department of State, the US Department of Commerce and His Majesty's Treasury.

**"Secured Parties"** means the Security Agent, the Bond Trustee and the Bondholders.

**"Security"** means any 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.

**"Shareholder Loan"** means any loan or credit made to the Issuer by the Parent, provided that it is unsecured and subordinated to the obligations of the Obligors under the Finance Documents pursuant to the terms of a Subordination Agreement.

**"SMC"** means a valid safety management certificate issued for a Vessel under paragraph 13.7 of the ISM Code.

**"Subordinated Loan"** means any loan or credit made to the Issuer by any person (other than the Parent (or any direct or indirect shareholder thereof) or a Group Company), provided that it (a) is unsecured and subordinated to the obligations of the Obligors under the Finance Documents pursuant to the terms of a Subordination Agreement, (b) has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date and (c) that there shall be no cash pay interest in respect thereof while any Bonds or any amount under any of the Finance Documents remains outstanding.

**"Subordination Agreement"** means any subordination agreement to be made between the relevant of, among others, the Parent, the Issuer, any other Obligor, the relevant creditor(s) of any of the foregoing and the Bond Trustee (each of which shall be in form and content satisfactory to the Bond Trustee).

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

**"TARGET Day"** means any day on which T2 is open for the settlement of payments in EUR.

**"Technical Management Agreement"** means, in respect of a Vessel, any technical management agreement made or to be made between the Issuer and an Approved Manager in respect of the technical management of that Vessel.

**"Total Assets"** means, at any time, the amount of the aggregate book value of all the assets of the Group (calculated on a consolidated basis) which, according to the Accounting Standard, shall be included as assets in a balance sheet at that time.

**"Total Debt"** means, at the relevant time, the aggregate amount of all obligations of the Group Companies for or in respect of Financial Indebtedness (other than such referred to in paragraph (f) of the definition of "Financial Indebtedness") but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Shareholder Loans and any Subordinated Loans;
- (c) excluding any Bonds held by the Issuer; and
- (d) including, in the case of any Finance Leases, their capitalised value,

and so that no amount shall be included or excluded more than once.

**"Total Equity"** means, at any time, the total of (a) the amount of the aggregate recorded book equity of the Group (calculated on a consolidated basis) which, according to the Accounting Standard, shall be recorded as equity in a balance sheet at that time and (b) the aggregate principal amount of all Shareholder Loans outstanding at such time.

**"Total Loss"** means, in relation to any Vessel:

- (a) the actual, constructive, compromised, agreed, arranged or other total loss of such Vessel;
- (b) any expropriation, confiscation, requisition or acquisition of a Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority, unless in the event that only one Vessel (and not more than one Vessel) is subject to any such matters or circumstances, in each case within five Business Days of the date thereof, the Vessel is redelivered to the full control of the relevant Vessel Owner; and
- (c) any piracy, arrest, capture, seizure or detention of a Vessel (including any hijacking or theft) of a Vessel unless in the event that only one Vessel (and not more than one Vessel) is subject to any such matters or circumstances, in each case within 10 Business Days of the date thereof, the Vessel is redelivered to the full control of the relevant Vessel Owner.

**"Total Net Debt"** means, at the relevant time, the Total Debt less the aggregate amount of any Cash and Cash Equivalents held by any Group Company at the time.

**"Trade Instruments"** means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any Group Company arising in the ordinary course of trading of that Group Company.

**"Transaction Security"** means any Security created or to be created by the Parent or by or in respect of any Obligor pursuant to the terms hereof, which Security shall secure the liabilities due, owing or incurred by each Obligor and any other Group Company to any Secured Party under or in relation to the Finance Documents to the extent and in the manner contemplated hereby.

**"Transaction Security Documents"** means any document evidencing the terms of any Security created or to be created by the Parent or by or in respect of any Obligor

pursuant to the terms hereof (which, unless the context otherwise requires, shall include any Guarantees).

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system.

"**Valuation**" means a valuation report evidencing the Market Value of a Vessel (each in form and substance acceptable to the Bond Trustee).

"**Vessel**" means Vessel 1, Vessel 2 or any Additional Vessel.

"**Vessel 1**" means the passenger cruise ship "Ambience" with IMO number 8521232.

"**Vessel 2**" means the passenger cruise ship "Ambition" with IMO number 9172777.

"**Vessel LTV Ratio**" means the ratio, expressed as a percentage, of:

- (a) Total Net Debt; to
- (b) the sum of:
  - (i) the aggregate Market Value of the Vessels (or, if a Vessel has been the subject of a Total Loss, the Market Value of that Vessel to be calculated only during the period ending on the date falling 180 days after the occurrence of such Total Loss, by reference to the latest Valuation obtained prior to the occurrence of the Total Loss); and
  - (ii) the net realisable value of additional Security previously provided pursuant to section "Remedy of Vessel LTV Ratio" above.

In the case of each definition set out herein, words importing the singular shall (unless the contrary intention appears) include the plural and vice versa.

**Escrow Account:**

The Issuer shall prior to the issue of the Bonds establish an escrow account (with the Paying Agent, Nordic Trustee Services AS or a bank acceptable to the Bond Trustee) in respect of which the relevant bank has waived any set-off rights. The Escrow Account shall be subject to the Escrow Account Pledge in the manner set out herein and be blocked so that no withdrawals may be made therefrom without the Bond Trustee's prior written consent.

**Listing:**

The Issuer shall:

- (a) use reasonable endeavours to ensure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as practically possible and in any event within 30 days of the Issue Date;
- (b) ensure that the Bonds are listed on an Exchange within 6 months of the Issue Date;
- (c) ensure that the Bonds are listed on the Regulated Exchange within 12 months of the Issue Date;

- (d) use reasonable endeavours to ensure that any Temporary Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as practically possible and in any event within 30 days of the date of issue thereof; and
- (e) ensure that any Temporary Bonds are listed on the Regulated Exchange within 3 months of the date of issue thereof.

**Listing Failure Event –  
Interest Rate step-up:**

If:

- (a) the Bonds (save for any Temporary Bonds) have not been admitted to listing on the relevant Exchange in accordance with paragraphs (b) and (c) of section "Listing" above;
- (b) in the case of a successful admission to listing of the Bonds on an Exchange, a period of 3 months has elapsed since the Bonds ceased to be listed on the relevant Exchange (save for a de-listing of the Bonds from Nordic ABM contemporaneously with a listing of the Bonds on the Regulated Exchange); or
- (c) any Temporary Bonds have not been admitted to listing on the Regulated Exchange within 3 months of the date of issue thereof,

then, from and including the occurrence of such an event and for as long as it is continuing, the interest accruing on the Bonds will accrue at the Interest Rate plus 1.00 percentage point per annum. If such an event only relates to any Temporary Bonds, such increase of the Interest Rate will only take place with respect to such Temporary Bonds.

**Change of Control:**

If:

- (a) at any time prior to the completion of an IPO, the Investor ceases to (i) own and control (directly or indirectly) more than 50.00 per cent. of the shares and the voting rights in the Parent or (ii) have the power to appoint or remove the majority of the members of the board of directors of the Parent (in each case, a "**Loss of Control**"), save where a Permitted Transferee simultaneously gains Decisive Influence over the Parent;
- (b) upon and at any time after the completion of an IPO, (i) a Loss of Control occurs and (ii) any person or group of persons acting in concert (other than the Investor or a Permitted Transferee) owns or controls (directly or indirectly) 30.00 per cent. or more of the shares or the voting rights in the Parent;
- (c) at any time, the Parent ceases to (i) own and control (directly) 100.00 per cent. of the shares and the voting rights in the Issuer or (ii) have the power to appoint or remove the majority of the members of the board of directors of the Issuer; or
- (d) at any time, any sale, transfer or other disposal of all or substantially all of the assets of the Group occurs whether in a single transaction or a series of related transactions.



**Put Option – Change of Control:**

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Change of Control has occurred.

Upon the occurrence of a Change of Control, each Bondholder will have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder (the "**Put Option**") at a price equal to 101.00 per cent. of the Nominal Amount of the purchased Bonds (plus accrued and unpaid interest on the purchased Bonds).

The Put Option must be exercised by a Bondholder within 15 Business Days after the Issuer has given such notice that a Change of Control has occurred. Once notified, the Bondholders' right to exercise the Put Option is irrevocable.

The Repayment Date of the Put Option will be the 5th Business Day after the end of the 15-Business Day period referred to above. The settlement of such Put Option will be based on each Bondholder's holding of Bonds at such Repayment Date.

If Bonds representing more than 90.00 per cent. of the outstanding Bonds have been purchased by way of such Put Option, the Issuer shall be entitled to purchase all the remaining outstanding Bonds at a price equal to 101.00 per cent. of the Nominal Amount of the purchased Bonds (plus accrued and unpaid interest on the purchased Bonds) by notifying the remaining Bondholders of its intention to do so not later than 10 Business Days after the Repayment Date for such Put Option. Any such notice by the Issuer shall (a) be irrevocable and (b) specify the Repayment Date for such purchase.

**Procedures of CSD in case of any partial redemption:**

If any redemption of the Bonds carried out pursuant to the terms hereof is made in part, such redemption shall be applied *pro rata* between the Bondholders in accordance with the procedures of CSD.

**Issuer's Ownership of Bonds:**

The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer's discretion be retained or sold (but not discharged other than by way of a redemption of Bonds permitted by, and carried out pursuant to, the terms hereof).

**Bond Terms:**

The bond terms evidencing the terms of the Bond Issue will be entered into by the Issuer and the Bond Trustee acting as the Bondholders' representative, and they shall be based on the latest version of the Norwegian high-yield standard bond terms adjusted (where relevant) by the terms set out herein. The standard is available upon request to the Bond Trustee or the Arranger. The Bond Terms shall regulate the Bondholders' rights and obligations with respect to the Bonds. If any discrepancy should occur between this term sheet and the Bond Terms, then the Bond Terms shall prevail.

A subscriber of Bonds is by its application for Bonds (see further details under Terms of Subscription below) deemed to have granted authority to the Bond Trustee to negotiate, agree, finalise, execute and deliver the Bond Terms and the other Finance Documents on its behalf. Although minor adjustments to the terms and structure described in this term sheet may occur, the provisions in the Bond Terms will be substantially consistent with those set forth in this term sheet.

The Bond Terms shall be made available to the general public for inspection purposes.

<b>Governing Law and Jurisdiction:</b>	The Bond Terms shall be subject to Norwegian law and jurisdiction.
<b>Taxation:</b>	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bonds or the Finance Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by any applicable law).</p> <p>The Issuer shall, if any tax is withheld in respect of the Bonds or the Finance Documents (a) gross up the amount of the payment due from the Issuer up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee (as the case may be) receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required and (b) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.</p> <p>If the Issuer is or will be required to pay any additional amounts in respect of withholding tax as a result of any change in, or amendment to, any applicable law, or any change in the general application or official interpretation of such law, which change or amendment becomes effective on or after the Issue Date, the Issuer will have the right to redeem all (but not only some) of the outstanding Bonds at a price equal to 100.00 per cent. of the Nominal Amount (plus accrued and unpaid interest on the redeemed Bonds). The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the redemption 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.</p>
<b>Securities Depository:</b>	The Bonds will be registered in Verdipapirsentralen ASA (Euronext VPS) (the "CSD"). Any principal amount and accrued interest will be credited to the Bondholders through CSD.
<b>Arranger (and bookrunner):</b>	Arctic Securities AS, Haakon VII's gate 5, NO-0161 Oslo, Norway.
<b>Bond Trustee:</b>	Nordic Trustee AS, Kronprinsesse Märthas plass 1, NO-0160 Oslo, Norway.
<b>Security Agent:</b>	Nordic Trustee AS, Kronprinsesse Märthas plass 1, NO-0160 Oslo, Norway (or any other security agent or trustee acting for the Secured Parties pursuant to the terms of the Bond Terms).
<b>Paying Agent:</b>	Arctic Securities AS, Haakon VII's gate 5, NO-0161 Oslo, Norway.
<b>Market Making:</b>	No market-maker agreement has been made for this Bond Issue.
<b>Terms of Subscription:</b>	Applications for and subscriptions of Bonds will be made on the terms of, and by the execution and delivery or otherwise acceptance (by a taped telephone conversation, e-mail or otherwise) of, an application form from the Arranger (each an " <b>Application Form</b> ") prior to receiving Bond allotments. The terms of the Application Form, provide (among other) that the relevant subscribers, through their applications for Bonds, specifically authorise the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholders. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers having received Bond allotments,

such that they thereby will become bound by the Bond Terms. The Bond Terms will specify that all Bond transfers shall be subject to the terms thereof, and the Bond Trustee and all Bond transferees shall, when acquiring the Bonds, be deemed to have accepted the terms of the Bond Terms, and will specify that all such transferees shall automatically become bound by the Bond Terms upon completed transfer having been registered by CSD without any further action required to be taken or formalities to be complied with.

**Subscription  
Restrictions:**

The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933 (as amended).

The Bonds have not and will not be registered under the U.S. Securities Act or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act as further detailed in the Application Form. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

**Transfer Restrictions:**

The Bonds are freely transferable and may be pledged, subject to the following:

- (a) Bondholders located in the United States will not be permitted to transfer the Bonds except (i) subject to an effective registration statement under the Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the relevant exchange and (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available);
- (b) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense; and
- (c) notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.

[DATE] January 2024



ACL Holdings Limited  
as the Issuer



Arctic Securities AS  
as the Arranger