



Prospectus

Securities Note

for

FRN Odfjell SE Senior Unsecured Open Bond Issue 2017/2021

Joint Lead Managers:



Bergen, 6 February 2017

Important information*

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Norwegian Financial Supervisory Authority (the “Norwegian FSA”) has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Securities Note. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Borrower according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

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

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

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

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

The Securities Note together with the Registration Document constitutes the Prospectus.

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

Contact the Borrower or the Joint Lead Managers to receive copies of the Securities Note.

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

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

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

Modification and Waiver

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

The conditions of the Bonds also provide that the Bond Trustee may:

except as provided for in Bond Agreement clause 17.1.5, reach decisions binding for all Bondholders concerning the Bond Agreement, including amendments to the Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not materially and adversely affect the rights or interests of the Bondholders pursuant to the Bond Agreement.

except as provided for in the Bond Agreement clause 17.1.5, reach decisions binding for all Bondholders in circumstances other than those mentioned in the Bond Agreement clause 17.1.3 provided prior notification has been made to the Bondholders. The Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submits a written protest against the proposal within a deadline set forth in the Bondholder notification.

not reach decisions pursuant to the Bond Agreement clauses 17.1.3 or 17.1.4 for matters set forth in the Bond Agreement clause 16.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.

not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

*The capitalised words in the section "Important Information" are defined in Chapter 3: "Detailed information about the securities".

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1 Risk Factors

Investing in bonds issued by the Issuer involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those related to the Issuer as set out in the Registration Document, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Registration Document, are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 17 November 2016 and reach their own views prior to making any investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Company and the bonds issued by the Company, respectively.

Risk factors material to the securities

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are four main risk factors that sum up the investors' total risk exposure when investing in interest bearing securities with a floating interest rate: liquidity risk, interest rate risk, settlement risk and market risk (both in general and issuer specific).

Liquidity risk is the risk that a party interested in trading bonds cannot do it because nobody in the market wants to trade the bonds. Missing demand for the bonds may result in a loss for the bondholder.

Interest rate risk is the risk that results from the variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 4 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

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

Market risk is the risk that the value of the bonds will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to bonds with a longer tenor and/or with a fixed coupon rate.

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

*The capitalised words in the section "Risk Factors" are defined in Chapter 3: "Detailed information about the securities".

2 Persons Responsible

2.1 Persons responsible for the information

Persons responsible for the information given in the Prospectus are:

Odfjell SE, P.O Box 6101 Postterminalen, N-5892 Bergen, Norway

2.2 Declaration by persons responsible

Responsibility statement:

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

Bergen (Norway), 6 February 2017

Odfjell SE

3 Detailed information about the securities

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| ISIN code: | NO 0010782584 |
| The Loan/The Reference Name/The Bonds: | "FRN Odfjell SE Senior Unsecured Open Bond Issue 2017/2021". |
| Borrower/Issuer: | Odfjell SE, a European Company (Societas Europae) duly incorporated and validly existing under the laws of Norway, with company registration number 930 192 503 |
| Group: | Means the Issuer and its subsidiaries from time to time |
| Security Type: | Bond issue with floating rate. |
| Maximum Borrowing Limit: | NOK 1,000,000,000 |
| Borrowing Amount First Tranche: | NOK 700,000,000 |
| Denomination – Each Bond: | NOK 1,000,000 - each and ranking pari passu among themselves |
| Securities Form: | The Bonds are electronic registered in book-entry form with the Securities Depository. |
| Disbursement/Settlement/Issue Date: | 25 January 2017. |
| Interest Bearing From and Including: | Disbursement/Settlement/Issue Date. |
| Interest Bearing To: | Maturity Date. |
| Maturity Date: | 25 January 2021. |
| Reference Rate: | NIBOR 3 months. |
| Margin: | 5.25 percentage points p.a. |
| Coupon Rate: | Reference Rate + Margin, equal to 6.27 % p.a. for the interest period ending on 25 April 2017 (subject to adjustment according to the Business Day Convention). |
| Day Count Fraction - Coupon: | Act/360 – in arrears. |
| Business Day Convention: | If the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (Modified Following Business Day Convention). |
| Interest Rate Determination Date: | 23 January 2017, and thereafter two Business Days prior to each Interest Payment Date. |
| Interest Rate Adjustment Date: | Coupon Rate determined on an Interest Rate Determination Date will be effective from and including the accompanying Interest Payment Date. |
| Interest Payment Date: | Each 25 January, 25 April, 25 July and 25 October in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. The next Interest Payment Date being 25 April 2017 (subject to adjustment according to the Business Day Convention). |
| #Days first term: | 90 days. |

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| Issue Price: | 100 % (par value). |
| Yield: | Dependent on the market price. On 3 February 2017 the yield is indicated to 6.11 % p.a. |
| Business Day: | Any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo, London and New York. |
| Amortisation: | The bonds will run without installments and be repaid in full at Maturity Date at par. |
| Redemption: | Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal. |
| Status of the Loan: | <p>The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least <i>pari passu</i> with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p> |
| Finance Document: | Means (i) the Bond Agreement, (ii) the agreement between the Bond Trustee and the Issuer referred to in the Bond Agreement clause 14.2 and (iii) any other document (whether creating a security interest or not) which is executed at any time by the Issuer or any other party in relation to any amount payable under the Bond Agreement. |
| Undertakings: | <p>The Issuer undertakes from the date of the Bond Agreement and until such time that no amounts are outstanding under the Bond Agreement or any other Finance Document, to comply with the covenants in accordance with the Bond agreement clause 13.2, 13.3, 13.4 and 13.5, including but not limited to:</p> <p>1. General covenants</p> <p><i>(a) Pari passu ranking</i></p> <p>The Issuer's obligations under the Bond Agreement and any other Finance Document shall at all times rank at least <i>pari passu</i> as set out in the Bond Agreement clause 8.1.</p> <p><i>(b) Mergers</i></p> <p>The Issuer shall not, and shall ensure that no Material Subsidiary shall, carry out any merger or other business combination or corporate reorganization involving consolidating the assets and obligations of the Issuer or any of the Material Subsidiaries with any other company or entities not being a member of the Group if such transaction would have a Material Adverse Effect. The Issuer shall notify the Bond Trustee of any such transaction, providing relevant details thereof, as well as, if applicable, its reasons for believing that the proposed transaction would not have a Material Adverse Effect.</p> <p><i>(c) De-mergers</i></p> <p>The Issuer shall not, and shall ensure that no Material Subsidiary shall, carry out any de-merger or other corporate reorganization involving splitting the Issuer or any of the Material Subsidiaries into two or more separate companies or entities, if such transaction would have a Material Adverse Effect. The Issuer shall notify the Bond Trustee of any such transaction, providing relevant details thereof, as well as, if applicable, its reasons for believing that the proposed transaction would not have a Material</p> |

Adverse Effect.

(d) Continuation of business

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

(e) Disposal of business, assets, subsidiaries or operations

The Issuer shall not, and shall ensure that no Subsidiary shall, sell or otherwise dispose of all or a substantial part of its or the Group's assets, subsidiaries or operations to any person not being a member of the Group, unless

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

The Issuer shall notify the Bond Trustee of any such transaction, and upon request provide relevant details thereof.

2. Corporate and operational matters

(a) Intra-group transactions

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

(b) Transactions with shareholders, directors and affiliated companies

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

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

(c) Ownership to Material Subsidiaries

The Issuer shall not sell, transfer, assign or otherwise dilute or dispose of any shares or any other ownership interest in any of the Material Subsidiaries to any person not being a member of the Group, unless (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and (ii) such transaction would not have a Material Adverse Effect.

(d) Subsidiaries' distributions

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

(e) Corporate status

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

(f) Compliance with laws

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

(g) Litigations

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

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

(h) Insurance

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

(i) Listing

During the term of the Bonds the Issuer shall ensure that the Issuer's common shares remain listed on the Oslo Stock Exchange.

(j) Financial Support restrictions

No member of the Group shall directly or indirectly make or grant any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or group or otherwise voluntarily assume any financial liability, whether actual or contingent, in respect of any other person or group, not being a member of the Group, except for in the ordinary course of business.

(k) Arm's length transaction

No member of the Group shall engage in, directly or indirectly, any transaction with any party not being a member of the Group or a non-consolidated company (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and pursuant to the reasonable requirement of such member of the Group's business and upon fair and reasonable terms that are no less favorable to such member of the Group, as the case may be, than those which might be obtained in an arm's length transaction at the time.

3. Financial covenants

(a) Free Liquid Assets

The Issuer shall at all times maintain Free Liquid Assets of minimum USD 50,000,000. Any Free Liquid Assets in companies included 100% in the consolidated accounts of the Issuer can also be included in the calculation on a pro-rata basis corresponding to the Issuer's ownership share, provided there are no restrictions on lending or distributions of any kind from the relevant company to the Issuer; and

The Issuer shall ensure that the Group (on a consolidated basis) at all times maintains Free Liquid Assets of minimum 6% of Total Interest Bearing Debt.

(b) Leverage

The Issuer shall ensure that at all times its Leverage (on a consolidated basis) does not exceed seventy-five per cent (75.00%).

The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on a quarterly basis.

Definitions:

Material Subsidiary means:

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

always provided that the Issuer shall, if required, appoint subsidiaries as Material Subsidiaries to procure that Subsidiaries not being Material Subsidiaries shall in aggregate not exceed 20% of the consolidated turnover or gross assets of the Group (as the case may be).

Material Adverse Effect means a material adverse effect on: (a) the Issuer's ability to perform and comply with its obligations under the Bond Agreement; or (b) the validity or enforceability of the Bond Agreement.

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

Free Liquid Assets means, at any time, the aggregate of the equivalent in USD of the current market value of:

- (i) cash in hand;
- (ii) deposits in banks or financial institutions; and
- (iii) debt securities rated A/A2 or better by Standard & Poor's Ratings Group or Moody's Investors Service, Inc.

to which the Issuer or the relevant Group Company (as the case may be) shall have free and direct access, excluding any of those assets subject to any security interest at that time.

See Bond Agreement clause 1 for a complete set of definitions.

Listing:

At Oslo Børs.

Listing will take place as soon as possible after the prospectus has been approved by the Norwegian FSA.

Purpose:

The net proceeds of the Bonds shall be employed for general corporate purposes, including part refinancing of existing bonds

and potential future growth opportunities.

NIBOR:

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

Approvals:

The Bonds were issued in accordance with the Issuer's Board approval dated 12 January 2017.

The prospectus is approved by the Norwegian FSA.

The prospectus is controlled by Oslo Børs ASA in relation to the listing application of the bonds.

Bond Agreement:

The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.

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

Bondholders' meeting:

At the Bondholders' meeting each Bondholder may cast one vote for each voting bond owned at close of business on the day prior to the date of the Bondholders' meeting in the records registered in the Securities Depository.

In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting. See also clause 16.4 in the Bond agreement.

Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, however, a majority of at least 2/3 of the voting bonds represented at the Bondholders' Meeting is required:

- (a) amendment of the terms of the Bond Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions affecting the cash flow of the Bonds;
- (b) transfer of rights and obligations of the Bond Agreement to another issuer (Issuer), or
- (c) change of Bond Trustee.

(For more details, see also Bond agreement clause 16)

Availability of the Documentation:

<https://www.dnb.no/bedrift/markets/dcm/emisjon/2017.html>

Bond Trustee:

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

The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond agreement and applicable laws and regulations which are relevant to the terms of the Bond

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| | <p>Agreement, including supervision of timely and correct payment of principal or interest, (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond Agreement.</p> <p>(For more details, see also Bond agreement clause 17)</p> |
| Joint Lead Managers: | <p>Danske Bank Markets, Norwegian branch, Søndre Gate 13-15, N-7466 Trondheim, Norway, and DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway</p> |
| Paying Agent: | <p>DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.</p> |
| Calculation Agent: | <p>The Bond Trustee.</p> |
| Securities Depository: | <p>The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository ("VPS"), P.O. Box 4, 0051 Oslo.</p> |
| Restrictions on the free transferability: | <p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none">(i) bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.(ii) notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under the Bond Agreement. |
| Market-Making: | <p>There is no market-making agreement entered into in connection with the Bond Issue.</p> |
| Estimate of total expenses related to the admission to trading: | <p>Prospectus fee (NFSA) Registration Document NOK 60,000 Prospectus fee (NFSA) Securities Note NOK 15,600 Listing fee 2017 (Oslo Børs): NOK 29,505 Registration fee (Oslo Børs): NOK 5,700</p> |
| Legislation under which the Securities have been created: | <p>Norwegian law.</p> |
| Fees and Expenses: | <p>The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.</p> |
| Prospectus: | <p>The Registration Document dated 17 November 2016, Supplement to Registration Document dated 6 February 2017 and this Securities Note dated 6 February 2017.</p> |

4 Additional Information

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

The Issuer has mandated Danske Bank Markets, Norwegian branch and DNB Bank ASA, the Joint Lead Managers, for the issuance of the Loan. The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Loan.

Statement from the Joint Lead Managers:

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

Trondheim/Oslo, 6 February 2017

Danske Bank Markets, Norwegian branch
(www.danskebank.no)

DNB Bank ASA
(www.dnb.no)

Listing of the Loan:

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

Appendix 1: Bond agreement

ISIN NO 001 0782584

BOND AGREEMENT

between

Odfjell SE
(Issuer)

and

Nordic Trustee ASA
(Bond Trustee)

on behalf of

the Bondholders

in the bond issue

FRN Odfjell SE Senior Unsecured Open Bond Issue 2017/ 2021



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This agreement has been entered into on 23 January 2017 between

(1) Odfjell SE (a company incorporated in Norway with Company No. 930 192 503 as issuer (the “**Issuer**”), and

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

1 Interpretation

1.1 Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Financial Statements” means the audited unconsolidated and consolidated annual accounts and financial statements of the Issuer for any financial year, drawn up

according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

“**Free Liquid Assets**” means, at any time, the aggregate of the equivalent in USD of the current market value of:

- (i) cash in hand;
- (ii) deposits in banks or financial institutions; and
- (iii) debt securities rated A/A2 or better by Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.

to which the Issuer or the relevant Group Company (as the case may be) shall have free and direct access, excluding any of those assets subject to any security interest at that time.

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

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

“**Interest Payment Date**” means 25 January, 25 April, 25 July and 25 October, each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

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

“**Issue Date**” means 25 January 2017.

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

“**Leverage**” means the ratio of Total Debt to Total Assets.

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

“**Margin**” means 5.25 percentage points per annum.

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

“Material Subsidiary” means:

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

always provided that the Issuer shall, if required, appoint subsidiaries as Material Subsidiaries to procure that Subsidiaries not being Material Subsidiaries shall in aggregate not exceed 20% of the consolidated turnover or gross assets of the Group (as the case may be).

“Maturity Date” means 25 January 2021 or an earlier maturity date as provided for in this Bond Agreement. Any further adjustment may be made according to the Business Day Convention.

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

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

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

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

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

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

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

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

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

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

“**Securities Register**” means the securities register in which the Bond Issue is registered.

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

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

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

“**Total Assets**” means, at any time, the aggregate amount which would in accordance with the relevant accounting principles be shown in the Issuer’s Financial Statements and Quarterly Financial Reports as the total assets of the Group.

“**Total Debt**” means, at any time, the aggregate amount of the obligations of the Group which would in accordance with the relevant Accounting Principles be shown in the Issuer’s Financial Statements and Quarterly Financial Reports as the total liabilities of the Group net of deferred tax liabilities.

“**Total Interest Bearing Debt**” means, at any time, (on a consolidated basis) the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of:

- (i) moneys borrowed and debt balances with financial institutions;
- (ii) any amount raised by acceptance under any acceptance credit facility;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the relevant accounting principles, be treated as a finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary credit or any other instrument issued by a bank or financial institution (excluding given in respect of trade credit arising in the ordinary course of business);
- (vii) any amount of any liability under an advance or deferred purchase agreement exceeding sixty (60) days if one of the primary reasons behind the entry into this agreement is to raise finance;
- (viii) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (ix) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraph i) to viii) above.

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

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

1.2 *Construction*

In this Bond Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;
- (e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) references to “control” means the power to appoint a majority of the board of directors of the Issuer or to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise; and
- (h) references to a “person” shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality).

2 The Bonds

2.1 Binding nature of the Bond Agreement

- 2.1.1 The Bondholders are, through their subscription, purchase or other transfer of Bonds bound by the terms of the Bond Agreement and other Finance Documents, as authority to the Bond Trustee to finalize and execute the Bond Agreement on the Bondholders behalf is set out in the subscription documents, term sheet, sales documents or in any other way, and while all Bond transfers are subject to the terms of this Bond Agreement and all Bond transferees are, in taking transfer of Bonds, deemed to have accepted the terms of the Bond Agreement and the other Finance Documents and will automatically become parties to the Bond Agreement upon completed transfer having been registered, without any further action required to be taken or formalities to be complied with, see also Clause 18.1.
- 2.1.2 The Bond Agreement is available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that the Bond Agreement is available to the general public throughout the entire term of the Bonds.

2.2 The Bonds

- 2.2.1 The Issuer has resolved to issue a series of Bonds in the total aggregate amount of NOK 1,000,000,000 (Norwegian kroner One Billion). The Bond Issue may comprise one or more tranches issued on different issue dates. The first tranche will be in the amount of NOK 700,000,000 (Norwegian kroner Seven Hundred Million).

The Bonds will be in denominations of NOK 1,000,000 each and rank pari passu between themselves.

The Bond Issue will be described as “FRN Odjell SE Senior Unsecured Open Bond Issue 2017/2021”.

The International Securities Identification Number (ISIN) of the Bond Issue will be NO 001 0782584.

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

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

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

2.3 *Purpose and utilization*

- 2.3.1 The net proceeds of the Bonds shall be employed for general corporate purposes, including part refinancing of existing bonds and potential future growth opportunities.

3 Listing

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

4 Registration in a Securities Register

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

5 Purchase and transfer of Bonds

- 5.1 Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.
- 5.2 Notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under this Bond Agreement.



6 Conditions Precedent

- 6.1 Disbursement of the net proceeds of the first tranche of the Bonds to the Issuer will be subject to the Bond Trustee having received the following documents, in form and substance satisfactory to it, at least two Business Days prior to the Issue Date:
- (a) this Bond Agreement duly executed by all parties thereto;
 - (b) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents;
 - (c) a power of attorney from the Issuer to relevant individuals for their execution of the relevant Finance Documents, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute the Finance Documents on behalf of the Issuer;
 - (d) certified copies of (i) the Certificate of Incorporation or other similar official document for the Issuer, evidencing that it is validly registered and existing and (ii) the Articles of Association of the Issuer;
 - (e) the Issuer's latest Financial Statements and Quarterly Financial Report;
 - (f) confirmation from the Manager that the requirements set out in Chapter 7 of the Norwegian Securities Trading Act (implementing the EU prospectus directive (2003/71 EC) concerning prospectuses have been fulfilled;
 - (g) to the extent necessary, any public authorisations required for the Bond Issue;
 - (h) confirmation that the Bonds have been registered in the Securities Register;
 - (i) the Bond Trustee fee agreement set out in Clause 14.2, duly executed;
 - (j) copies of any written documentation used in the marketing of the Bonds or made public by the Issuer or the Manager in connection with the Bond Issue; and
 - (k) any statements or legal opinions reasonably required by the Bond Trustee (including any capacity corporate opinions for the Issuer and opinions related to the validity, perfection and enforceability of the Finance Documents).
- 6.2 The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for documentation as set forth in Clause 6.1.
- 6.3 Disbursement of the net proceeds from the Bonds is subject to the Bond Trustee's written notice to the Issuer, the Manager and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.
- 6.4 On the Issue Date, subject to receipt of confirmation from the Bond Trustee pursuant to Clause 6.3, the Manager shall make the net proceeds from the first tranche of the Bond Issue available to the Issuer.

- 6.5 The Issuer may issue Tap Issues provided that (i) the amount of the aggregate of (a) the Outstanding Bonds prior to such Tap Issue and (b) the requested amount for such Tap Issue shall not exceed the maximum issue amount (ii) no Event of Default has occurred or would occur as a result of the making of such Tap Issue, (iii) the Issuer confirms that the documents earlier received by the Bond Trustee, c.f. Clause 6.1, are still valid, or provides updates of such documents to the Bond Trustee, (iv) the representations and warranties contained in this Bond Agreement remain true and correct and are repeated by the Issuer, and (v) that such Tap Issue is in compliance with applicable laws and regulations as of the time of such Tap Issue.

7 Representations and Warranties

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

(a) Status

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

(b) Power and authority

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

(c) Valid, binding and enforceable obligations

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

(d) Non-conflict with other obligations

The entry into and performance by the Issuer of the Bond Agreement and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or present judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on the Issuer or any of its assets.

(e) No Event of Default

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

(f) Authorizations and consents

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

(g) Litigation

No litigation, arbitration or administrative proceeding of or before any court, arbitral body or agency is pending or, to the best of the Issuer's knowledge, threatened which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.

(h) Financial Statements

The audited most recently Financial Statements and Quarterly Financial Reports of the Group fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied from one year to another.

(i) No undisclosed liabilities

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

(j) No Material Adverse Effect

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

(k) No misleading information

All documents and information which have been provided to the subscribers or the Bond Trustee in connection with this Bond Issue represent the latest available financial information concerning the Group.

(l) Environmental compliance

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

(m) Intellectual property

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

(n) No withholdings

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

(o) Pari passu ranking

The Issuer's payment obligations under this Bond Agreement or any other Finance Document to which it is a party rank at least pari passu as set out in Clause 8.1.

(p) Encumbrances

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

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

8 Status of the Bonds and security

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

9 Interest

- 9.1 The Issuer shall pay interest on the face value of the Bonds from, and including, the Issue Date at the Bond Reference Rate plus the Margin (together the "**Floating Rate**").
- 9.2 Interest payments shall be made in arrears on the Interest Payment Dates each year, the first Interest Payment Date falls in April 2017.
- 9.3 The relevant interest payable amount shall be calculated based on a period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date.
- 9.4 The day count fraction in respect of the calculation of the payable interest amount shall be "Actual/360", which means that the number of days in the calculation period in which payment being made divided by 360.

- 9.5 The applicable Floating Rate on the Bonds is set/reset on each Interest Payment Date by the Bond Trustee commencing on the Interest Payment Date at the beginning of the relevant calculation period.

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

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

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

10 Maturity of the Bonds and Redemption

10.1 *Maturity*

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

11 Payments

11.1 *Payment mechanics*

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

- 11.1.2 Payment shall be considered to have been made once the amount has been credited to the bank which holds the bank account nominated by the Bondholder in question, but if the paying bank and the receiving bank are the same, payment shall be considered to have been made once the amount has been credited to the bank account nominated by the Bondholder in question, see however Clause 11.2.

11.2 *Currency*

- 11.2.1 If the Bonds are denominated in other currencies than NOK, each Bondholder has to provide the Paying Agent (either directly or through its Account Manager) with specific payment instructions, including foreign exchange bank account details. Depending on the currency exchange settlement agreements between the Bondholders' bank and the Paying Agent, cash settlement may be delayed, in which case no default interest or other penalty shall accrue for the amount of the Issuer..

- 11.2.2 Except as otherwise expressly provided, all amounts payable under this Bond Agreement and any other Finance Document shall be payable in the same currency as the Bonds are denominated in. If, however, the Bondholder has not given

instruction as set out in Clause 11.2.1, within 5 Business Days prior to a Payment Date, the cash settlement will be exchanged into NOK and credited to the NOK bank account registered with the Bondholders account in the Securities Register.

- 11.2.3 Amounts payable in respect of costs, expenses, taxes and other liabilities shall be payable in the currency in which they are incurred.

11.3 Set-off and counterclaims

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

11.4 Interest in the event of late payment

- 11.4.1 In the event that payment of interest or principal is not made on the relevant Payment Date, the unpaid amount shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to Clause 9 plus 5.00 percentage points,.

- 11.4.2 The interest charged under this Clause 11.4 shall be added to the defaulted amount on each respective Interest Payment Date relating thereto until the defaulted amount has been repaid in full.

- 11.4.3 The unpaid amounts shall bear interest as stated above until payment is made, whether or not the Bonds are declared to be in default pursuant to Clause 15.1 (a), cf. Clauses 15.2 - 15.4.

11.5 Irregular payments

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

12 Issuer's acquisition of Bonds

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

13 Covenants

13.1 General

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

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

13.2 *Information Covenants*

13.2.1 The Issuer shall

- (a) without being requested to do so, immediately inform the Bond Trustee of any Event of Default as well as of any circumstances which the Issuer understands or should understand may lead to as an Event of Default;
- (b) without being requested to do so, inform the Bond Trustee of any other event which may have a Material Adverse Effect;
- (c) without being requested to do so, inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (d) without being requested to do so, produce Financial Statements annually and Quarterly Financial Report quarterly and make them available in the English language on its website and via the distribution system at Oslo Børs as soon as they become available, and not later than 120 days after the end of the financial year and 60 days after the end of the relevant interim period;
- (e) at the request of the Bond Trustee, report the balance of the Issuer's Bonds;
- (f) without being requested to do so, send the Bond Trustee copies of any creditors' notifications of the Issuer, including but not limited to mergers, demergers and reduction of the Issuer's share capital or equity;
- (g) without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange (if listed) which are of relevance for the Issuer's liabilities pursuant to this Bond Agreement;
- (h) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register; and
- (i) within a reasonable time, provide such information about the Issuer's financial condition as the Bond Trustee may reasonably request.

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

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

13.3 *General Covenants*

(a) *Pari passu ranking*

The Issuer's obligations under this Agreement and any other Finance Document shall at all times rank at least pari passu as set out in Clause 8.1.

(b) *Mergers*

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

(c) *De-mergers*

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

(d) *Continuation of business*

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

(e) *Disposal of business, assets, subsidiaries or operations*

The Issuer shall not, and shall ensure that no Subsidiary shall, sell or otherwise dispose of all or a substantial part of its or the Group's assets, subsidiaries or operations to any person not being a member of the Group, unless

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

The Issuer shall notify the Bond Trustee of any such transaction, and upon request provide relevant details thereof.

13.4 *Corporate and operational matters*

(a) Intra-group transactions

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

(b) Transactions with shareholders, directors and affiliated companies

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

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

(c) Ownership to Material Subsidiaries

The Issuer shall not sell, transfer, assign or otherwise dilute or dispose of any shares or any other ownership interest in any of the Material Subsidiaries to any person not being a member of the Group, unless (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and (ii) such transaction would not have a Material Adverse Effect.

(d) Subsidiaries' distributions

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

(e) Corporate status

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

(f) Compliance with laws

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

(g) Litigations

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

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

(h) Insurance

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

(i) Listing

During the term of the Bonds the Issuer shall ensure that the Issuer's common shares remain listed on the Oslo Stock Exchange.

(j) Financial Support restrictions

No member of the Group shall directly or indirectly make or grant any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or group or otherwise voluntarily assume any financial liability, whether actual or contingent, in respect of any other person or group, not being a member of the Group, except for in the ordinary course of business.

(k) Arm's length transaction

No member of the Group shall engage in, directly or indirectly, any transaction with any party not being a member of the Group or a non-consolidated company (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and pursuant to the reasonable requirement of such member of the Group's business and upon fair and reasonable terms that are no less favorable to such member of the Group, as the case may be, than those which might be obtained in an arm's length transaction at the time.

13.5 *Financial Covenants*

13.5.1 *Free Liquid Assets*

The Issuer shall at all times maintain Free Liquid Assets of minimum USD 50,000,000. Any Free Liquid Assets in companies included 100% in the consolidated accounts of the Issuer can also be included in the calculation on a pro-rata basis corresponding to the Issuer's ownership share, provided there are no restrictions on lending or distributions of any kind from the relevant company to the Issuer; and

The Issuer shall ensure that the Group (on a consolidated basis) at all times maintains Free Liquid Assets of minimum 6% of Total Interest Bearing Debt.



13.5.2 *Leverage*

The Issuer shall ensure that at all times its Leverage (on a consolidated basis) does not exceed seventy-five per cent (75.00%).

The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on a quarterly basis.

14 Fees and expenses

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

14.2 The expenses and fees payable to the Bond Trustee (and/or the Security Agent, as the case may be) shall be paid by the Issuer and are set forth in a separate agreement between the Issuer and the Bond Trustee. Fees and expenses payable to the Bond Trustee which, due to the Issuer's insolvency or similar, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the Bondholders.

14.3 The Issuer shall cover all public fees in connection with the Bonds and the Finance Documents. Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer is not responsible for reimbursing any such fees.

14.4 In addition to the fee due to the Bond Trustee pursuant to Clause 14.2 and normal expenses pursuant to Clauses 14.1 and 14.3, the Issuer shall, on demand, cover extraordinary expenses incurred by the Bond Trustee in connection with the Bonds, as determined in a separate agreement between the Issuer and the Bond Trustee.

14.5 The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to the Bondholders.

15 Events of Default

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

(a) Non-payment

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

(b) Breach of other obligations

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

(c) Cross default

The Issuer or any Material Subsidiary, the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) below exceeds a total of USD 5 million, or the equivalent thereof in other currencies;

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

(d) Misrepresentations

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

(e) Insolvency

For the Issuer or any Material Subsidiary

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

(f) Creditors' process

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

(g) Dissolution, appointment of liquidator or analogous proceedings

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

(h) Impossibility or illegality

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

(i) Litigation

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

(j) Material adverse effect

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

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

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

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

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

In either case the Bond Trustee shall on behalf of the Bondholders take every measure necessary to recover the amounts due under the Outstanding Bonds. The Bond Trustee can request satisfactory security for any possible liability and anticipated expenses, from those Bondholders who requested that the declaration of

default be made pursuant to sub clause (a) above and/or those who voted in favour of the decision pursuant to sub clause (b) above.

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

16 Bondholders' meeting

16.1 Authority of the Bondholders' meeting

- 16.1.1 The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds. If a resolution by or an approval of the Bondholders is required, resolution of such shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon and prevail for all the Bonds.

16.2 Procedural rules for Bondholders' meetings

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

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

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

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

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

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

- 16.2.6 The Bond Trustee may restrict the Issuer to make any changes of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting, by serving notice to it to such effect.
- 16.2.7 Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.
- 16.2.8 The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 16.2.9 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.
- 16.2.10 The Bondholders, the Bond Trustee and – provided the Bonds are listed - representatives of the Exchange, have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the chairman shall decide who may attend the Bondholders' Meeting and vote for the Bonds.
- 16.2.11 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present under the voting.

16.3 *Resolutions passed at Bondholders' meetings*

- 16.3.1 At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Bonds shall count as the Issuer's Bonds. The Issuer's Bonds shall not have any voting rights.
- 16.3.2 In all matters, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.
- 16.3.3 In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 16.4. Even if less than half (1/2) of

the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.

- 16.3.4 Resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set forth in Clause 16.3.5.
- 16.3.5 In the following matters, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required:
- (a) amendment of the terms of this Bond Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions affecting the cash flow of the Bonds;
 - (b) transfer of rights and obligations of this Bond Agreement to another issuer (Issuer), or
 - (c) change of Bond Trustee.
- 16.3.6 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 16.3.7 The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.
- 16.3.8 The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.

16.4 Repeated Bondholders' meeting

- 16.4.1 If the Bondholders' Meeting does not form a quorum pursuant to Clause 16.3.3, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- 16.4.2 When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting Bonds are represented.

17 The Bond Trustee

17.1 The role and authority of the Bond Trustee

- 17.1.1 The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this Bond Agreement and applicable laws and regulations which are relevant to the terms of this Bond Agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Agreement.

The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in this Bond Agreement.

- 17.1.2 The Bond Trustee may take any step necessary to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement. The Bond Trustee may postpone taking action until such matter has been put forward to the Bondholders' Meeting.
- 17.1.3 Except as provided for in Clause 17.1.5 the Bond Trustee may reach decisions binding for all Bondholders concerning this Bond Agreement, including amendments to the Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not have a Material Adverse Effect on the rights or interests of the Bondholders pursuant to this Bond Agreement.
- 17.1.4 Except as provided for in Clause 17.1.5, the Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in Clause 17.1.3 provided prior notification has been made to the Bondholders. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submit a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five (5) Business Days following the dispatch of such notification.
- 17.1.5 The Bond Trustee may not reach decisions pursuant to Clauses 17.1.3 or 17.1.4 for matters set forth in Clause 16.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.
- 17.1.6 The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 17.1.7 The Issuer, the Bondholders and the Exchange shall be notified of decisions made by the Bond Trustee pursuant to Clause 17.1 unless such notice obviously is unnecessary.
- 17.1.8 The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 16.3.5.

17.2 *Liability and indemnity*

- 17.2.1 The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set forth in this Bond Agreement. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.
- 17.2.2 The Issuer is liable for, and shall indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees, agents and representatives) to fulfil its obligations under the terms of this Bond Agreement and any other Finance Documents, including losses incurred by the Bond Trustee as a

result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the establishment and performance of this Bond Agreement and the other Finance Documents.

17.3 Change of Bond Trustee

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

18 Miscellaneous

18.1 The community of Bondholders

- 18.1 By virtue of holding Bonds, which are governed by this Bond Agreement (which pursuant to Clause 2.1.1 is binding upon all Bondholders), a community exists between the Bondholders, implying, inter alia, that
- (a) the Bondholders are bound by the terms of this Bond Agreement,
 - (b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
 - (c) the Bond Trustee has, in order to administrate the terms of this Bond Agreement, access to the Securities Register to review ownership of Bonds registered in the Securities Register,
 - (d) this Bond Agreement establishes a community between Bondholders meaning that;
 - (i) the Bonds rank pari passu between each other,
 - (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer, however not restricting the Bondholders to exercise their individual rights derived from the Bond Agreement.
 - (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders,
 - (iv) the Bondholders may not cancel the Bondholders' community, and that
 - (v) the individual Bondholder may not resign from the Bondholders' community.

18.2 *Defeasance*

- 18.2.1 The Issuer may, at its option and at any time, elect to have certain obligations discharged (see Clause 18.2.2) upon complying with the following conditions (“**Covenant Defeasance**”);
- (a) the Issuer shall have irrevocably pledged to the Bond Trustee for the benefit of the Bondholders cash or government obligations accepted by the Bond Trustee (the “**Defeasance Pledge**”) in such amounts as will be sufficient for the payment of principal (including if applicable premium payable upon exercise of a Call Option) and interest on the Outstanding Bonds to Maturity Date (or redemption upon a exercise of a notified Call Option);
 - (b) the Issuer shall, if required by the Bond Trustee, provide a legal opinion reasonable acceptable to the Bond Trustee to the effect that the Bondholders will not recognize income, gain or loss for income tax purposes (hereunder US federal or Norwegian, if applicable) as a result of the Defeasance Pledge and Covenant Defeasance, and will be subject to such income tax on the same amount and in the same manner and at the same times as would have been the case if the Defeasance Pledge had not occurred;
 - (c) no Event of Default shall have occurred and be continuing on the date of establishment of the Defeasance Pledge, or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 181st day after the date of establishment of the pledge;
 - (d) neither the Defeasance Pledge nor the Covenant Defeasance results in a breach or violation of any material agreement or instrument binding upon the Issuer, or the articles of association or other corporate documents governing the Issuer;
 - (e) the Issuer shall have delivered to the Bond Trustee a certificate signed by its Chief Executive Officer that the Defeasance Pledge was not made by the Issuer with the intent of preferring the Bondholders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;
 - (f) the Issuer shall have delivered to the Bond Trustee any certificate or legal opinion reasonably required regarding the Covenant Defeasance or Defeasance Pledge (including certificate from its Chief Executive Officer and a legal opinion from its legal counsel to the effect that all conditions for Covenant Defeasance have been complied with; and that the Defeasance Pledge (i) will not be subject to any rights of creditors of the Issuer, (ii) will constitutes a valid, perfected and enforceable security interest in favour of the Bond Trustee for the benefit of the Bondholders, and (iii) will, after the 181st day following the establishment, the funds and assets so pledged will not be subject to the effects of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors rights generally under the laws of the jurisdiction where the Defeasance Pledge was established and the corporate domicile of the Issuer.

- 18.2.2 Upon the exercise by the Issuer of its option under Clause 18.2.1;
- (a) the Issuer shall be released from their obligations under all provisions in Clause 13, except 13.2.1 (a), (e), (h) and (i).
 - (b) the Issuer shall not (and shall ensure that all Group Companies shall not) take any actions that may cause the value of the Security Interest created by this Covenant Defeasance to be reduced, and shall at the request of the Bond Trustee execute, or cause to be executed, such further documentation and perform such other acts as the Bond Trustee may reasonably require in order for the Security Interests to remain valid, enforceable and perfected by the Bond Trustee for the account of the Bondholders;
 - (c) any Guarantor(s) shall be discharged from their obligations under the Guarantee(s), and the Guarantee(s) shall cease to have any legal effect;
 - (d) any Security Interests other than the Defeasance Pledge shall be discharged, and the Bond Trustee shall take all steps reasonably possible for it to cause such discharge to be effected, by way of deletion of the relevant Security Document from the relevant register, notice to third parties or as otherwise required;
 - (e) all other provisions of the Bond Agreement (except (a) – (c) above) shall remain fully in force without any modifications.

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

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

18.3 Limitation of claims

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

18.4 Access to information

- 18.4.1 The Bond Agreement is available to anyone and copies may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that the Bond Agreement is available in copy form to the general public until all the Bonds have been fully discharged.
- 18.4.2 The Bond Trustee shall, in order to carry out its functions and obligations under the Bond Agreement, have access to the Securities Register for the purposes of reviewing ownership of the Bonds registered in the Securities Register.



18.5 Amendments

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

18.6 Notices, contact information

- 18.6.1 Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Register with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site www.stamdata.no.
- 18.6.2 The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Register with a copy to the Bond Trustee and the Exchange.
- 18.6.3 Unless otherwise specifically provided, all notices or other communications under or in connection with this Bond Agreement between the Bond Trustee and the Issuer shall be given or made in writing, by letter, or telefax. Any such notice or communication addressed shall be deemed to be given or made as follows:
- (a) if by letter, when delivered at the address of the relevant Party;
 - (b) if by telefax, when received.

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

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

18.7 Dispute resolution and legal venue

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

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

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

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

Issuer


.....
By: **STEGE IVERSEN**
Position: **CEO**

Bond Trustee


.....
By: **Lars Erik Lærum**
Position:



Attachment 1

COMPLIANCE CERTIFICATE

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

Fax: + 47 22 87 94 10
E-mail: mail@nordictrustee.com

[date]

Dear Sirs,

ODFJELL SE BOND AGREEMENT 2017/ 2021 - ISIN 001 0782584

We refer to the Bond Agreement for the above mentioned Bond Issue made between Nordic Trustee ASA as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer. Terms defined in the Bond Agreement have their defined meanings when used in this Compliance Certificate.

We hereby represent and warrant that at the date of this Compliance Certificate, we are in compliance with the Financial Covenants of the Bond Agreement and that no Event of Default has occurred and that the representations and warranties of the Bond Agreement are true and correct at the date hereof as if made with respect to the facts and circumstances existing at this date.

Without limiting the generality of paragraph 1 above, we hereby further represent and warrant as follows:

For the purpose of the Clause 13.5.1 referring to Free Liquid Assets, Free Liquid Assets are USD [x] (minimum USD 50,000,000). We confirm as per the latest financial statements of the Issuer and other relevant companies in the Group:

- a) cash in hand is USD [x];
- b) deposits in banks or financial institutions are USD [x];
- c) the aggregate of available undrawn commitments under credit lines facilities (except for intra Group borrowings and lending) are USD [x];
- d) debt securities rated A/A2 or better by Standard & Poor's Ratings Group or Moody's Investors Service Inc. are USD [x];

The above calculation includes Free Liquid Assets in the Issuer and Free Liquid Assets in companies included 100% in the consolidated accounts of the Issuer (other than companies with restrictions on lending or distributions of any kind from the relevant company to the Issuer), on pro-rata basis corresponding to the Issuer's ownership share. We have not included assets subject to any Security Interest.

For the purpose of the Clause 13.5.1 referring to Free Liquid Assets on a consolidated basis, Free Liquid Assets are USD [x] being [x] % of Total Interest Bearing Debt (minimum 6% of Total Interest Bearing debt). We confirm as per the financial statements of the Issuer:

- a) cash in hand is USD [x];
- b) deposits in banks or financial institutions are USD [x];
- c) the aggregate of available undrawn commitments under credit lines facilities (except for intra Group borrowings and lending) are USD [x];
- d) debt securities rated A/A2 or better by Standard & Poor's Ratings Group or Moody's Investors Service Inc. are USD [x];
- e) Total Interest Bearing Debt is USD [x].

The above calculation does not include assets subject to any Security Interest.

For the purpose of the Clause 13.5.2 referring to Leverage, the Leverage is [x] % (maximum 75 %). We confirm that the Issuer's (on a consolidated basis):

Total Liabilities (net of deferred tax liabilities of USD [x]) as stated in its latest financial statements is USD [x];

Total Assets as stated in its latest financial statements is USD [x].

This Compliance Certificate shall be governed by and construed in accordance with Norwegian law.

Yours sincerely
for and on behalf of
Odfjell SE
