

ISIN NO 001 065437.9

BOND AGREEMENT

between

OCEAN YIELD AS
(“Issuer”)

and

NORSK TILLITSMANN ASA
(“Bond Trustee”)

on behalf of

the Bondholders

in the bond issue

FRN Ocean Yield AS Senior Unsecured Callable Bond Issue 2012/2017

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Attachment 1 COMPLIANCE CERTIFICATE

THIS AGREEMENT has been entered into on 4 July 2012 between:

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

“**Account Bank**” means DNB Bank ASA, Stranden 2, Aker Brygge, N-0021 Oslo, Norway

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

“**Additional Vessel**” means any offshore unit or vessel not owned by a Material Subsidiary on the date of this Bond Agreement.

“**AFP Group**” means Aker Floating Production AS (989 628 615) together with its wholly owned Subsidiaries, AFP Operations AS (990 099 065) and Aker Contracting FP ASA (989 061 879).

“**Aker Wayfarer**” means the offshore support vessel, "Aker Wayfarer" (IMO No. 9435478), registered in the Norwegian International Ship Register in the ownership of Aker Ship Lease 1 AS (993 452 114).

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

“**Bond Agreement**” means this bond agreement, including any Attachments and any subsequent amendments and additions agreed in writing between the Parties.

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

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

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

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

“**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 Norwegian commercial banks are open for general business, and can settle foreign currency transactions in Norway.

“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*).

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

“Capital Market Instruments” means bonds, notes, debentures, loan stock or other securities which are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

“Change of Control Event” means:

- (i) if the Parent ceases to hold, directly or indirectly, a minimum of 50% of the outstanding shares and/or voting rights of the Issuer (always excluding, for the avoidance of doubt, voting rights held on behalf of others pursuant to powers of attorney); or
- (ii) if any person or group (as such term is defined in the Norwegian Limited Liability Companies Act § 1-3) (other than the Parent or any indirectly or directly owned subsidiary of the Parent) becomes the owner, directly or indirectly, of more than 50% of the outstanding shares and/or voting rights of the Issuer.

“Costs” means all costs, expenses, disbursements, payments, charges, losses, demands, claims, liabilities, penalties, fines, damages, judgments, orders, sanctions, fees (including travel expenses, VAT, court fees and legal fees) and any other outgoings of whatever nature.

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

“Dhirubhai-1” means the floating production, storage and offloading vessel "Dhirubhai-1" (IMO No. 7500877), registered under Bahamian flag in the ownership of Aker Contracting FP ASA and operated by AFP Operations AS for Reliance Industries Limited.

“EBITDA” means the Group’s aggregate earnings before interest, taxes, depreciation and amortisation (to be calculated on a 12-month rolling basis).

“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 (always excluding, for the avoidance of doubt, the purchase option held by Reliance Industries Limited under the existing charter contract for Dhirubhai-1).

“Equity” means the aggregate book value of the Group’s total equity treated as equity in accordance with GAAP.

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

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

“Exchange” means 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.

“Existing Vessels” means Aker Wayfarer and Dhirubhai-1, but only for as long as each relevant owning company qualifies as a Material Subsidiary under this Bond Agreement.

“Existing Vessel Debt” means, collectively:

- (i) the NOK 1,238,000,000 secured term loan facility agreement dated 30 September 2010 (as amended from time to time) and made between Aker Ship Lease AS (993 404 489) as borrower, Eksportfinans ASA as original lender and DNB Bank ASA as original commercial guarantor;
- (ii) the USD 583,000,000 senior secured credit facility agreement dated 22 August 2008 (as amended from time to time) and made between, among others, Aker Contracting FP ASA as borrower and DNB Bank ASA, Fortis Bank (Nederland) N.V. and HSH Nordbank AG as underwriters;
- (iii) any additional Financial Indebtedness incurred by any Material Subsidiary for the purpose of financing any future upgrade, modification or other investment in relation to any of the Existing Vessels; and
- (iv) any refinancing, replacement or modification of any of (i) - (iii) above, provided always that (a) in relation to Aker Wayfarer, the maximum refinanced amount shall be based on a 15-year straight-line amortisation profile calculated from 30 September 2010, and (b) in relation to Dhirubhai-1, the maximum refinanced amount shall be based on a straight-line amortisation profile of USD 400,000,000 from 16 July 2012 until 21 September 2018 (coinciding with the expiry of the existing charter contract with Reliance Industries Limited).

“Final Maturity Date” means 6 July 2017. Any adjustment will be made according to the Business Day Convention.

“Finance Documents” means:

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

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

- (i) moneys borrowed, including acceptance credit;

- (ii) any bond, note, debenture, loan stock or other similar instrument;
- (iii) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (iv) receivables sold or discounted (other than any receivables sold on a non-recourse basis);
- (v) any sale and lease-back transaction, or similar transaction which is treated as indebtedness under GAAP;
- (vi) 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 and which is treated as indebtedness under GAAP;
- (vii) 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);
- (viii) 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);
- (ix) 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 in respect of any underlying liability; and
- (x) (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 (i) through (ix) 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.

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

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

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

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

“Interest Payment Date” means 6 January, 6 April, 6 July and 6 October each year and the Final Maturity Date, starting 6 October 2012. 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 6 July 2012.

“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.

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

“Managers” means the managers for this Bond Issue, being DNB Markets, a part of DNB Bank ASA, Stranden 21, Aker Brygge, NO-0021 Oslo, Norway and Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway.

“Mandatory Prepayment Event” means any of the following events:

- (i) any of the Material Subsidiaries sells or disposes of its material assets;
- (ii) the Issuer ceases to own and control 100% (directly or indirectly) of the shares of any of the Material Subsidiaries;
- (iii) there is a Reliance Option Event;
- (iv) there is a Total Loss Event; or
- (v) an Event of Default occurs.

“Margin” means 6.50 percentage points per annum.

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

- (i) the business, financial condition or operations of the Issuer, the Material Subsidiaries and/or the Group taken as a whole;
- (ii) the Issuer’s ability to perform and comply with any of its obligations under any Finance Document; or
- (iii) the validity or enforceability of any Finance Document.

“Material Subsidiary” means each of:

- (i) Aker Floating Production AS (989 628 615);
- (ii) Aker Contracting FP AS (989 061 879);
- (iii) Aker Ship Lease 1 ASA (993 452 114); and

- (iv) any such Group Company as is referred to in Clauses 10.5 (*Suspended Redemption*) (see Clause 10.5.3), 13.4(e)(i) (*Ownership to Material Subsidiaries*) and 13.4(h) (*Ownership to Existing Vessels*),

each of which shall remain a Material Subsidiary for all purposes of this Bond Agreement for as long as its total consolidated or unconsolidated assets (as the case may be) and/or total consolidated or unconsolidated EBITDA (as the case may be) represent 20% or more of the total consolidated assets and/or total consolidated EBITDA of the Group (as determined by reference to the latest annual or quarterly financial statements).

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

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

“**NIBOR**” means 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.

“**Parent**” means Aker ASA (886 581 432), incorporated in Norway.

“**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 and approved by the Bond Trustee 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.

“**Put Option**” shall have the meaning set forth in Clause 10.3 (*Change of Control*).

“**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.

“**Redemption Amount**” means the amount calculated by multiplying the Outstanding Bonds with a fraction that equals the proportion of the Groups' consolidated assets which are categorised as "Property, Plant & Equipment" (including vessels) that the relevant asset owned by the relevant Material Subsidiary (or portion thereof) represents (by reference to the latest Quarterly Financial Report), provided, however, that upon the occurrence of a Total Loss Event, the amount to be redeemed shall be limited to 100% of the insurance proceeds received after repayment of the relevant Existing Vessel Debt and payment of any third party liability.

“**Reliance Option Event**” means an event whereby Reliance Industries Limited exercises its option to purchase Dhirubhai-1 pursuant to the terms of the existing charter contract for Dhirubhai-1.

“**Replacement Vessel**” means any such offshore unit or vessel as referred to in 10.5 (*Suspended Redemption*) (see Clause 10.5.2), but only for as long as its owning company qualifies as a Material Subsidiary under this Bond Agreement.

“**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.

“**Total Assets**” means the aggregate book value of the Group’s total assets treated as assets in accordance with GAAP.

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

“**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;
- (a) words denoting the singular number shall include the plural and vice versa;
- (b) references to Clauses are references to the Clauses of this Bond Agreement;
- (c) references to a time is a reference to Oslo time unless otherwise stated herein;
- (d) 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;
- (e) references to “**control**” means the power to appoint a majority of the board of directors of a person or to direct the management and policies of a person, whether through the ownership of voting capital, by contract or otherwise; and
- (f) 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 initial Bondholders have in the subscription agreements granted authority to the Bond Trustee to finalise and execute the Bond Agreement on the Bondholders' behalf, therefore the Bondholders are, through their subscription, purchase or other transfer of Bonds bound by the terms of this Bond Agreement and the other Finance Documents. All Bond transfers are subject to the terms of this Bond Agreement. 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 (*The community of Bondholders*).

2.1.2 The Bond Agreement is available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that the Bond Agreement is available to the general public throughout the entire term of the Bonds.

2.2 The Bonds

2.2.1 The Issuer has resolved to issue a series of Bonds in the maximum amount of NOK 600,000,000 (Norwegian kroner six hundred million).

2.2.2 The Bonds will be in denominations of NOK 500,000 each and rank pari passu between themselves.

2.2.3 The Bond Issue will be described as “FRN Ocean Yield AS Senior Unsecured Callable Bond Issue 2012/2017”.

2.2.4 The International Securities Identification Number (ISIN) of the Bond Issue will be NO 001 065437.9.

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

2.2.6 The net proceeds from the Bond Issue shall be transferred on the Issue Date.

2.3 Purpose and utilisation

The net proceeds from the Bond Issue (net of legal costs, fees, of the Managers and the Bond Trustee and any other agreed costs and expenses) shall be employed to finance the future growth of the Group and for its general corporate purposes.

3 LISTING

3.1 The Issuer shall apply for listing of the Bonds on Oslo Børs or, at the discretion of the Issuer, on Oslo Børs ASA’s Alternative Bond Market.

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 in accordance with 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 of the terms and conditions of this Bond Agreement. The Bond Trustee shall receive a copy of any such 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 or elsewhere other than in Norway under the Securities Register Act.

5 PURCHASE AND TRANSFER OF BONDS

- 5.1 Subject to the restrictions set forth in this Clause 5, the Bonds are freely transferable and may be pledged.
- 5.2 Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.
- 5.3 Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its rights (including, but not limited to, its voting rights) under this Bond Agreement.

6 CONDITIONS PRECEDENT

- 6.1 Disbursement of the net proceeds 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 approving the issue of the Bonds and the execution of the Finance Documents;
 - (c) a certified copy of the Issuer's updated articles of association ("*vedtekter*") and certificate of registration ("*firmaattest*");
 - (d) unless covered by the corporate resolutions referred to in paragraph (b) above, a power of attorney from the Issuer to relevant individuals for their execution of the relevant Finance Documents;
 - (e) the latest Financial Statements and Quarterly Financial Report;
 - (f) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (implementing the EU prospectus directive (2003/71 EC) concerning prospectuses have been fulfilled;
 - (g) to the extent necessary, any governmental approvals, consents, waivers and/or public authorisations required for the Bond Issue;
 - (h) confirmation from the Paying Agent that the Bonds have been or will be registered in the Securities Register;
 - (i) written compliance confirmation in accordance with Clause 7.3, duly executed by the Issuer;

- (j) the agreement between the Bond Trustee and the Issuer related to expenses and fees set forth in Clause 14.2, duly executed;
 - (k) documentation on the granting of authority to the Bond Trustee as described in Clause 2.1 (*Binding nature of the Bond Agreement*) and copies of any written documentation made public by the Issuer or the Managers in connection with the Bond Issue; and
 - (l) any statements or legal opinions reasonably required by the Bond Trustee.
- 6.2 The Bond Trustee may, in its sole discretion, waive the deadline or requirements for documentation as set forth in Clause 6.1.
- 6.3 The Bond Trustee may require any statement or legal opinion in connection with the Bond Issue (pre and post Issue Date).
- 6.4 Disbursement of the net proceeds of the Bonds to the Issuer is subject to the Bond Trustee's written notice to the Issuer, the Managers and the Paying Agent confirming that the documents listed in Clause 6.1 have been controlled and that the required conditions precedent are fulfilled.
- 6.5 Subject to the conditions set out in Clause 6.1, and following receipt of confirmation from the Bond Trustee pursuant to Clause 6.4, the Managers shall on the Issue Date make the net proceeds from the Bond Issue available to the Issuer.

7 REPRESENTATIONS AND WARRANTIES

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

(a) *Status*

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

(b) *Power and authority*

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

(c) *Valid, binding and enforceable obligations*

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

(d) *Non-conflict with other obligations*

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

(e) *No event of default*

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) *Authorisations 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, could reasonably be expected to have a Material Adverse Effect.

(h) *Financial Statements*

The most recent consolidated Financial Statements and Quarterly Financial Reports fairly 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 most recent consolidated 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 most recent consolidated Financial Statements, there has been no change in the business, assets or financial condition of the Issuer that is likely to have a Material Adverse Effect.

(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 are correct and represent the latest available financial information concerning the Group.

(l) Environmental compliance

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

(m) 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.

(n) 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 with the claims of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

(o) 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 The Bond Trustee may prior to the Issue Date require a written statement from the Issuer confirming compliance with Clause 7.1.
- 7.4 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 the Issuer herein.

8 STATUS OF THE BONDS

8.1 Ranking and priority

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 Security

8.2.1 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 October 2012.

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 (the “**Floating Rate Day Count Fraction**”) in respect of the calculation of the payable interest amount shall be “Actual/360”, which means that the number of days in the calculation period in which payment being made is divided by 360.

9.5 The applicable Floating Rate on the Bonds is set/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:

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

10 MATURITY OF THE BONDS AND REDEMPTION

10.1 Maturity

The Bonds shall mature in full on the Final Maturity Date, and shall be repaid by the Issuer at 100% of par value plus accrued and unpaid interests.

10.2 Call Option

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

- (a) at any time from and including the Interest Payment Date in July 2014 to, but not including, the Interest Payment Date in July 2015 at a price equal to 106.00% of par value (plus accrued interests on the redeemed amount);
- (b) at any time from and including the Interest Payment Date in July 2015 to, but not including, the Interest Payment Date in July 2016 at a price equal to 105.00% of par value (plus accrued interests on the redeemed amount);
- (c) at any time from and including the Interest Payment Date in July 2016 to, but not including, the Interest Payment Date in January 2017 at a price equal to 102.50% of par value (plus accrued interests on the redeemed amount); and
- (d) any time from and including the Interest Payment Date in January 2017 to, but not including, the Final Maturity Date at a price equal to 100.50% of par value (plus accrued interests on redeemed amount).

10.2.2 Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders and at least ten (10) Business Days prior to the settlement date of the Call Option.

10.2.3 Partial redemption must be carried out pro rata between the Bonds (according to the procedures of the Securities Register).

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

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

10.3 Change of Control

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

10.3.2 The Put Option must be exercised within thirty (30) days after the Issuer has given notification to the Bondholders of the Change of Control Event.

10.3.3 The Put Option may be exercised by the Bondholders by giving irrevocable written notice of the request to its Account Manager. The Account Manager shall notify the Paying Agent of the pre-payment request. The settlement date of the Put Option shall be forty-five (45) days after the Issuer has given notification to the Bondholders of the Change of Control Event.

10.3.4 On the settlement date of the Put Option, the Issuer shall pay to each Bondholder holding Bonds to be pre-paid, the principal amount of each such Bond (at the price pursuant to Clause 10.3.1)) and any unpaid interest accrued up to and including the settlement date of the Put Option.

10.4 **Mandatory Redemption**

10.4.1 Upon a Mandatory Prepayment Event (other than a Reliance Option Event and a Total Loss Event) occurring, the Issuer shall (i) promptly in case an Event of Default has occurred and notified in accordance with the provisions of Clause 15 (*Events of Default*), and otherwise, subject to Clause 10.5 (*Suspended Redemption*), (ii) within 30 days following the relevant Mandatory Prepayment Event, redeem the Outstanding Bonds by the Redemption Amount at a price as follows:

- (a) if occurring anytime from the Issue Date to, but not including, the Interest Payment Date in July 2014, at a price equal to 106.00% of par value (plus accrued interest on redeemed amount);
- (b) if occurring anytime from and including the Interest Payment Date in July 2014 to, but not including, the Interest Payment Date in July 2015, at a price equal to 104.00% of par value (plus accrued interest on redeemed amount);
- (c) if occurring anytime from and including the Interest Payment Date in July 2015 to, but not including, the Interest Payment Date in July 2016, at a price equal to 102.00% of par value (plus accrued interest on redeemed amount); or
- (d) if occurring anytime from and including the Interest Payment Date in July 2016 to, but not including, the Final Maturity Date, at a price equal to 101.00% of par value (plus accrued interest on redeemed amount).

10.4.2 Upon a Reliance Option Event, the Issuer shall, subject to Clause 10.5 (*Suspended Redemption*), as soon as the sales proceeds are available to the relevant Group Company and thereafter, without undue delay, made available to the Issuer, redeem the Outstanding Bonds by the Redemption Amount at a price equal to 50% of the relevant premium set out in Clause 10.4.1 (plus accrued interest on redeemed amount).

10.4.3 Upon a Total Loss Event, the Issuer shall, subject to Clause 10.5 (*Suspended Redemption*), as soon as insurance proceeds are available to the relevant Group Company and thereafter, without undue delay, made available to the Issuer, redeem the Outstanding Bonds by the Redemption Amount at 100% of par value (plus accrued interest on redeemed amount).

10.4.4 For the avoidance of doubt, the redemption price payable in respect of the Outstanding Bonds at each relevant time shall be determined based on the date the Mandatory Prepayment Event occurred and not based on the date the redemption is carried out.

10.4.5 The Bond Trustee and the Bondholders shall be notified by the Issuer in writing about any mandatory redemption according to this Clause 10.4, at least twenty (20) Business Days prior to the settlement date of any such mandatory redemption. On the settlement date of a mandatory redemption, the cash amount payable by the Issuer to each of the Bondholders

holding Bonds to be redeemed, in respect of each such Bond, shall be equal to the Redemption Amount multiplied with the relevant redemption price.

10.4.6 Notwithstanding the above provisions of this Clause 10.4, each Bondholder shall have the right to decline redemption of its Bonds upon the occurrence of a Mandatory Prepayment Event, in which case the funds otherwise payable by the Issuer to the relevant Bondholder(s) by way of a mandatory redemption at the relevant time, shall be retained by the Issuer pursuant to the terms of this Bond Agreement. Such right to decline a mandatory redemption must be exercised no later than fifteen (15) Business Days prior to the settlement date of the relevant mandatory redemption. Each Bondholder exercising such right shall give an irrevocable written notice thereof to its Account Manager and the Bond Trustee. The Account Manager shall notify the Paying Agent and the Issuer accordingly.

10.5 **Suspended Redemption**

10.5.1 Upon a Mandatory Prepayment Event (other than an Event of Default), the Issuer may by giving written notice to the Bond Trustee and the Bondholders, request that the mandatory redemption required pursuant to Clause 10.4 (*Mandatory Redemption*) be suspended for a period of up to a maximum of twelve (12) months from the date of occurrence of the relevant Mandatory Prepayment Event. Upon any such request being made by the Issuer, the Redemption Amount shall be deposited on an escrow account in the name of the Issuer which shall be pledged in favour of the Bond Trustee (on behalf of the Bondholders) by a pledge agreement in form and substance acceptable to the Bond Trustee.

10.5.2 During the 12-month period referred to in Clause 10.5.1, the Issuer shall be entitled to apply the Redemption Amount against the costs of acquiring a replacement offshore unit or vessel (the "**Replacement Vessel**"). To the extent the Redemption Amount is applied for such purpose during such period, the relevant portion of the Redemption Amount so applied, shall not be used to redeem the Outstanding Bonds. To the extent the Redemption Amount is not applied for such purpose during such period, the relevant portion of the Redemption Amount not so applied, shall be used to redeem the Outstanding Bonds in accordance with the relevant provision of pursuant to Clause 10.4 (*Mandatory Redemption*), in which case the settlement date for such redemption shall be no later than the date falling twelve (12) months after the date of occurrence of the relevant Mandatory Prepayment Event.

10.5.3 The relevant Group Company becoming the owner of any such Replacement Vessel as contemplated in Clause 10.5.2 shall become a Material Subsidiary if its total consolidated or unconsolidated assets (as the case may be) and/or total consolidated or unconsolidated EBITDA (as the case may be) represent 20% or more of the total consolidated assets and/or total consolidated EBITDA of the Group.

11 **PAYMENTS**

11.1 **Payment mechanics**

11.1.1 The Issuer shall, through the Paying Agent, 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 (*Currency*).

11.2 **Currency**

11.2.1 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 shall arise as a direct consequence thereof and no default interest or other penalty shall accrue for the account 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, a Bondholder has not given such instruction as set out in Clause 11.2.1, within 5 Business Days prior to a Payment Date, the cash settlement will be credited to the NOK bank account registered with that Bondholder's account in the Securities 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 amount not paid when due shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to Clause 9 (*Interest*) plus 5.00 percentage points.

11.4.2 The interest charged under this Clause 11.4 (*Interest in the event of late payment*) 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 amounts not paid when due 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 , 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 (*Payment mechanics*) or 11.2 (*Currency*) 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 notify the Bond Trustee of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;
- (b) without being requested to do so, inform the Bond Trustee of any other event which may have a Material Adverse Effect promptly upon becoming aware of its occurrence;
- (c) without being requested to do so, inform the Bond Trustee if any Group Company intends to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (d) without being requested to do so, produce Financial Statements and Quarterly Financial Reports and make them available on its website in the English language (in addition to sending them to the Bond Trustee) as soon as they become available, and not later than 120 days after the end of the financial year in respect of its Financial Statements and 60 days after the end of the relevant quarter in respect of its Quarterly Financial Statements;
- (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 any Group Company, including but not limited to mergers, de-mergers and reduction of any such Group Company'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 the Bonds are 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 its compliance with the covenants in Clause 13.5 (*Preservation of equity and financial covenants*). Such confirmation shall be undertaken in a compliance certificate, substantially in the format set out in Attachment 1 hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer. In the event of non-compliance, the compliance certificate shall describe the non-compliance, the reasons therefore as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.

13.3 General Covenants

(a) *Pari passu ranking*

The Issuer's obligations under this Agreement and any other Finance Document shall at all times rank at least pari passu with the claims of all its other unsubordinated creditors save for those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

(b) *Mergers*

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganisation involving the consolidation of the assets and obligations of the Issuer or any such Group Company with any other company or entity not being a member of the Group if such transaction would have a Material Adverse Effect.

(c) *De-mergers*

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

(d) *Continuation of business*

- (i) The Issuer shall not, and shall ensure that no other Group Company shall, cease to carry out its business if such cessation of business would have a Material Adverse Effect. The Issuer shall notify the Bond Trustee of any such proposed cessation of business, provide relevant details thereof and its reasons for

believing that the proposed cessation of business would not have a Material Adverse Effect.

- (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*

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

- (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; or
- (ii) if relevant, the Outstanding Bonds are redeemed in accordance with Clause 10.4 (*Mandatory Redemption*) (subject to the suspensions rights set out in Clause 10.5 (*Suspended Redemption*)),

provided always that any such transaction would not have a Material Adverse Effect.

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*

- (i) 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 an arms' length transaction with a third party.
- (ii) All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-8 of the Private and Public Limited Companies Act 1997.

(c) *Transaction with other parties*

The Issuer shall not engage in, or permit any Group Company to engage in, directly or indirectly, any transaction with any party (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 the Issuer's or such Group Company's business and upon fair and reasonable terms that are no less favourable to the Issuer or such Group Company (as the case may be) than those which might be obtained in an arm's length transaction at the time.

(d) *Corporate status*

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

(e) *Ownership to Material Subsidiaries*

The Issuer shall not, and shall procure that no other Group Company shall, sell, transfer, assign or otherwise dilute or dispose of any shares or any other ownership interest in any of the Material Subsidiaries, unless:

- (i) such sale, transfer or disposal is made to another Group Company; or
- (ii) the Outstanding Bonds are redeemed in accordance with Clause 10.4 (*Mandatory Redemption*) (subject to the suspensions rights set out in Clause 10.5 (*Suspended Redemption*)).

(f) *Single-purpose companies*

The Issuer shall procure that the Material Subsidiaries remain single-purpose companies, not having any other business than solely related to their ownership and operation of the Existing Vessels.

(g) *Subsidiaries' distributions*

Save for obligations under the Existing Vessel Debt, the Issuer shall not permit any Material Subsidiary to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Material Subsidiary to (i) pay dividends or make other distributions to its shareholders, (ii) service any financial indebtedness to the Issuer, or (iii) make any loans to the Issuer, if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under this Bond Agreement.

(h) *Ownership to Existing Vessels*

The Issuer shall procure that no Material Subsidiary shall sell, transfer or dispose of any of the Existing Vessels, unless:

- (i) such sale, transfer or disposal is made to another Group Company (and provided always that subsequent to any such sale, transfer or disposal the relevant acquiring Group Company becomes a new Material Subsidiary for all purposes of this Bond Agreement); or
- (ii) such sale, transfer or disposal is made according to the Reliance Purchase Option and the Outstanding Bonds are redeemed in accordance with Clause 10.4

(*Mandatory Redemption*) (subject to the suspensions rights set out in Clause 10.5 (*Suspended Redemption*)).

(i) *Insurance*

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

(j) *Compliance with laws*

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

(k) *Litigation*

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

- (i) material litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which are pending or, to the best of the Issuer's knowledge, threatened against any Group Company and which could reasonably be expected to have a Material Adverse Effect; and
- (ii) other events which have occurred or might occur and which may have a Material Adverse Effect, as the Bond Trustee may reasonably request.

13.5 **Preservation of equity and financial covenants**

(a) *Negative pledge*

The Issuer shall not create, permit to subsist or allow to exist any Encumbrance over its shares in any Material Subsidiary except as granted under the Existing Vessel Debt. The Issuer shall further ensure that no Material Subsidiary shall, create, permit to subsist or allow to exist any Encumbrance over any of its present or future assets (including shares in other Material Subsidiaries) or its revenues, other than Encumbrances:

- (i) granted under the Existing Vessel Debt;
- (ii) created under any derivative transaction related to interest rate and/or currency hedging in connection with the Existing Vessel Debt and the Bond Issue; and
- (iii) arising by operation of law.

(b) Dividend restrictions

The Issuer shall not, during the term of the Bonds, make any dividend payment or repurchase of shares or make any other equity distributions to its shareholders (including, but not limited to, total return swaps involving the Issuer's shares) unless the Liquidity of the Issuer, immediately after any such payment or transaction, exceeds the higher of (i) USD 40,000,000, and (ii) 3% of its Net Interest-Bearing Debt.

(c) Financial indebtedness restrictions

The Issuer shall ensure that no Material Subsidiary shall, incur, create or permit to subsist any Financial Indebtedness other than:

- (i) the Existing Vessel Debt;
- (ii) obligations incurred under any interest rate and/or currency hedging relating to the Existing Vessel Debt and the Bond Issue;
- (iii) financing raised in connection with the purchase of any Replacement Vessel during the 12-month period referred to in Clause 10.5.2 or any subsequent refinancing thereof; and
- (iv) obligations incurred by any Material Subsidiary in the ordinary course of business for working capital purposes and as part of the daily operations of such Material Subsidiary.

(d) Future capital market indebtedness

The Issuer shall ensure that no Subsidiary shall grant any Encumbrance or provide any upstream guarantees in connection with the issue by the Issuer of any future Capital Market Instruments unless:

- (i) the Bond Trustee (on behalf of the Bondholders), on a pari passu basis therewith, is granted the same Encumbrance and/or upstream guarantees as security for the obligations of the Issuer under this Bond Agreement; or
- (ii) such Capital Market Instruments is part of a secured financing of an Additional Vessel.

(e) Financial support restrictions

The Issuer shall ensure that no Material Subsidiary shall, grant any loans, guarantees or other financial assistance (including, but not limited to the granting of security) to or for the benefit of any third party, any Material Subsidiary or any other Group Company other than in relation:

- (i) the Existing Vessel Debt; and
- (ii) intra-group obligations between members of the AFP Group.

(f) Subordination of intra-Group debt

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

(g) Servicing of other subordinated loans

Subordinated loans granted to the Issuer by lenders who are not members of the Group shall not be serviced by way of interest payments or repayments of principal unless the Liquidity of the Issuer exceeds the higher of (i) USD 40,000,000, and (b) 3% of its Net Interest-Bearing Debt, immediately after each such servicing of any such loan.

(h) Financial covenants

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

- (i) an minimum Equity Ratio of 25%;
- (ii) a Liquidity of no less than the higher of (a) USD 25,000,000, and (b) 3% of its Net Interest-Bearing Debt; and
- (iii) an Interest Rate Coverage Ratio of no less than 2.0:1.

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 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 shall pay any stamp duty and other public fees accruing in connection with issuance of the Bonds or any of the Finance Documents, but not in respect of trading of the Bonds in the secondary market. The Issuer is responsible for, and shall deduct before payment to the bondholders at source, any applicable withholding tax payable pursuant to law.

15 EVENTS OF DEFAULT

- 15.1 The Bonds may be declared by the Bond Trustee to be in default upon occurrence of any of the following events (each of which being an “**Event of Default**”) if:

(a) Non-payment

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

(b) Breach of financial covenants

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

- (i) in respect of any single Quarter Date, the Issuer within 60 days thereafter, provides documentation to the Bond Trustee evidencing that (at the time of providing such documentation to the Bond Trustee), the Liquidity of the Issuer (on a consolidated basis) is no less than the higher of (a) USD 40,000,000, and (b) 3% of its Net Interest-Bearing Debt; or
- (ii) in respect of any two or more consecutive Quarter Dates, the Issuer within 60 days thereafter, provides documentation to the Bond Trustee evidencing that (at the time of providing such documentation to the Bond Trustee), the Liquidity of the Issuer (on a consolidated basis) is no less than the higher of (a) USD 50,000,000, and (b) 3% of its Net Interest-Bearing Debt.

provided, always, that if a breach of the minimum Interest Coverage Ratio occurs on five (5) Quarter Dates during the term of the Bond Issue (whether singly or consecutively), the remedy mechanisms set out in sub-paragraphs (i) and (ii) above shall no longer apply on its fifth occurrence.

(c) Breach of other obligations

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

(d) Cross default

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

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

provided, in each case referred to in paragraphs (i) to (iv) above, that the amount of Financial Indebtedness in question exceeds USD 5,000,000 in aggregate and provided further, in relation to any Group Company other than the Issuer, that there is recourse to the Issuer under or in relation to any such Financial Indebtedness of the relevant Group Company.

(e) Misrepresentations

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

(f) Insolvency

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

(g) Creditors' process

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

(h) Dissolution, appointment of liquidator or analogous proceedings

- (i) A resolution is passed for the dissolution of the Issuer or a liquidator, administrator or the like is appointed or requested to be appointed in respect of the Issuer unless contested in good faith by the Issuer.
- (ii) In relation to any other Group Company, there occurs an event corresponding to any of those mentioned in sub-paragraph (i) above which, in the reasonable opinion of the Bond Trustee, is likely to have a Material Adverse Effect.

(i) Litigation

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

(j) Material Adverse Effect

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

(k) Repudiation

Any Issuer repudiates this Bond Agreement or another Finance Document, or evidences an intention to repudiate this Bond Agreement or another Finance Document.

- 15.2 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare the Outstanding Bonds including accrued interest 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. Declaration of default shall be deemed as a mandatory prepayment situation and the Outstanding Loan shall be repaid at the same prices as set out in Clause 10.4 (*Mandatory Redemption*).

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 the Voting Bonds;
- (c) the Exchange, if the Bonds are listed; or
- (d) the Bond Trustee.

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

- 16.2.3 If the Bond Trustee has not summoned a Bondholders' Meeting within 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 (if listed).
- 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 (*Repeated Bondholders' meeting*). Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.
- 16.3.4 Resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set 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; 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 this clause 17.1 unless such notice obviously is unnecessary.
- 17.1.8 The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 16.3.5.

17.2 **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 Any change or replacement of the Bond Trustee shall be carried out pursuant to the procedures set forth in Clause 16 (*Bondholders' meeting*). The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.

17.3.2 The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 14 (*Fees and expenses*), but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach by the Bond Trustee of its duties pursuant to the terms of this Bond Agreement or other circumstances for which the Bond Trustee is liable.

17.3.3 The Bond Trustee undertakes to co-operate so that the new bond trustee receives without undue delay following the Bondholders' Meeting the documentation and information necessary to perform the functions as set forth under the terms of this Bond Agreement.

17.4 **Appointment of security agent and security trustee**

17.4.1 The Bonds are unsecured. However, if during the term of this Bond Agreement, security is provided by any Group Company pursuant to paragraph (d)(i) of Clause 13.5 (*Preservation of equity and financial covenants*), the Bond Trustee may act as security agent or security trustee (as the case may be) for the Bondholders or may appoint a bank or other institution to act as security agent or security trustee for the Bondholders.

17.4.2 The main functions of the Bond Trustee in its capacity as security agent or security trustee (as the case may be) may include holding security interests on behalf of or in trust for, the Bondholders, as the case may be, and monitoring compliance by the Issuer and other relevant parties of their respective obligations under this Bond Agreement and/or the relevant security documents with respect to such security interests.

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

17.4.4 The functions, rights and obligations of any security agent or security trustee other than the Bond Trustee may be determined by a security agency agreement to be entered into between the Bond Trustee (on behalf of the Bondholders) and the relevant security agent or security trustee (as the case may be). The Bond Trustee shall have the right to require any Group Company or other party issuing any security document to become a party to any such security agency agreement, or, at the discretion of the Bond Trustee, to acknowledge in writing the terms of any such security agency agreement.

17.4.5 Any changes to this Bond Agreement necessary or appropriate in connection with the appointment of a security agent or security trustee shall be documented by an amendment to this Bond Agreement, signed by the Bond Trustee.

17.4.6 If so desired by the Bond Trustee and the security agent or the security trustee (as the case may be), any or all of the relevant security documents shall be amended, assigned or re-issued, so that the security agent or the security trustee is the holder of the relevant security interests (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

18 MISCELLANEOUS

18.1 The community of Bondholders

18.1.1 By virtue of holding Bonds, which are governed by this Bond Agreement (which pursuant to Clause 2.1.1 is binding upon all Bondholders), a community exists between the Bondholders, implying, inter alia, that

- (a) the Bondholders are bound by the terms of this Bond Agreement;
- (b) the Bond Trustee has power and authority to act on behalf of 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; and
- (d) this Bond Agreement establishes a community between Bondholders meaning that;
 - (i) the Bonds rank pari passu between each other;
 - (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer;
 - (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders;
 - (iv) the Bondholders may not cancel the Bondholders' community; and
 - (v) the individual Bondholder may not resign from the Bondholders' community.

18.2 Defeasance

18.2.1 The Issuer may, at its option and at any time, elect to have certain obligations discharged (see Clause 18.2.2) upon complying with the following conditions ("**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 Final 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 any Group Company, or the articles of association or other corporate documents governing any Group Company;
- (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; and
- (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 any Group Company, (ii) will constitute 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 its 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 relevant guarantee(s), and such 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 this 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 This 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 the Parties.

18.6 Notices, contact information

18.6.1 Written notices, warnings, summons etc. to the Bondholders made by the Bond Trustee shall be sent via the Securities 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 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

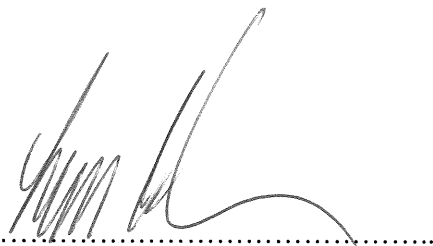
This Bond Agreement and all disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and the Issuer, shall be governed by Norwegian law.

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.

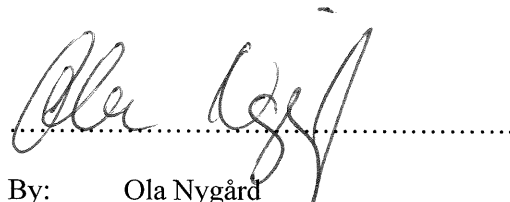
Issuer



By: Lars Solbakken

Position: Attorney-in-Fact

Bond Trustee



By: Ola Nygård

Position: Authorised Signatory

Attachment 1

COMPLIANCE CERTIFICATE

Norsk Tillitsmann ASA
P.O. Box 1470 Vika
N-0116 Oslo
Norway

Fax: + 47 22 87 94 10
E-mail: mail@trustee.no

[●]

Dear Sirs,

OCEAN YIELD AS BOND ISSUE 2012/2017 – ISIN 001 065437.9

We refer to the Bond Agreement for the above mentioned Bond Issue made between Norsk Tillitsmann ASA as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Compliance Certificate shall be issued. This letter constitutes the Compliance Certificate for the period [PERIOD].

Capitalised words and expressions are used herein as defined in the Bond Agreement.

With reference to Clause 13.2.3 we hereby certify that:

1. all information contained herein is true and accurate and there has been no change which would have a material adverse effect on the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you;
2. the covenants set out in Clause 13 are satisfied;
3. in accordance with paragraph (h) of Clause 13.5 (*Preservation of equity and financial covenants*), we hereby report the following figures as of [END-DATE OF REPORTING PERIOD]:
 - (a) Equity Ratio:
 - (b) Liquidity:
 - (c) Interest Coverage Ratio:

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

Yours faithfully,
OCEAN YIELD AS

Name of authorized person

Enclosure: [*copy of any written documentation*]