

## Securities Note

Norwegian Property ASA 2.95% Secured Bond Issue  
2017/2024

NO 0010794258



Joint Lead Managers:

**Nordea**

**S|E|B**

26.06.2017

Prepared according to Commission Regulation (EC) No 809/2004 - Annex XIII

**Important notice**

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Securities Note has been reviewed and approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (*Finanstilsynet*) in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Registration Document was approved by the Norwegian FSA January 3<sup>rd</sup> 2017 and is still valid as of the date of this Securities Note. This Securities Note together with the Registration Document dated January 3<sup>rd</sup> 2017 constitutes the Prospectus. The Prospectus is valid for a period of up to 12 months following its approval by the Norwegian FSA on January 3<sup>rd</sup> 2017. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus. New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

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

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

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

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

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

Contact the Issuer to receive copies of the Securities Note.

This Securities Note should be read together with the Registration Document dated 03.01.2017 and the Supplement no 1 to the Registration Document dated 26.06.2017. The documents together constitute a prospectus.

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## 1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Please refer to the Registration Document dated 03.01.2017 for a listing of company specific risk factors.

There are five main risk factors that sum up the investors total risk exposure when investing in interest bearing securities: **liquidity risk, interest rate risk, settlement risk, credit risk and market risk** (both in general and issuer specific).

**Liquidity risk** is the risk that a party interested in trading bonds in the Bond Issue cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.

**Interest rate risk** the Bond Issue has been established at a fixed rate, and consequently the interest rate doesn't vary with changes in interest rate levels. Investment in bonds bearing interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

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

**Credit risk** is the risk that the Issuer fails to make the required payments under the Bond Issue (either principal or interest).

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

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

## 2. Person responsible

### **PERSONS RESPONSIBLE FOR THE INFORMATION**

Persons responsible for the information given in the prospectus are as follows:

Norwegian Property ASA  
Støperigata 2  
NO-0250 Oslo  
P.O. Box 1657 Vika  
NO-0120 Oslo

### **DECLARATION BY PERSONS RESPONSIBLE**

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

Oslo, 26.06.2017



Norwegian Property ASA

### 3. Information concerning the securities

ISIN code:	NO 0010794258.
The Bonds/The Issue/The Bond Issue:	Norwegian Property ASA 2.95% Secured Bond Issue 2017/2024.
Issuer:	Norwegian Property ASA.
Security Type:	Secured bond issue with fixed rate.
Amount:	NOK 450 000 000
Initial Nominal Amount – Each Bond:	NOK 1 000 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Issue Date:	31 May 2017.
Interest Bearing To:	Maturity Date.
Maturity Date:	31 May 2024.
Redemption Price:	100 % of Nominal Amount.
Interest Rate:	2.95 % p.a..
Interest Payment Date:	31 May each year. First interest payment date being 31 May 2018.
Interest Period:	Means, subject to adjustment in accordance with the Business Day Convention, provided however that an Interest Period shall not extend beyond the Maturity Date.
Day Count Convention:	30/360 The interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
Business Day Convention:	No Adjustment. No adjustment will be made to the Interest Period.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. Assuming a price of 100 % the yield is 2.95 per cent p.a.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Maturity:	On the Maturity Date the Issuer shall pay in respect of each Bond the Nominal Amount multiplied by the Redemption Price to the Bondholders.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the CSD for interest and principal shall be limited in time pursuant the Norwegian

Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

**Status:**

The Issuer's payment obligations under the Bond Terms shall rank ahead of all subordinated payment obligations of the Issuer and the Bond shall rank pari passu between themselves and will rank at least pari passu with all the Issuer's obligations, save for (i) secured obligations to the extent they are secured and (ii) obligations which are mandatorily preferred by law.

**Security:**

The Bonds including interest and expenses shall be secured by the Security Interest or the Cash for Refinancing Security (as applicable). The security of the Bond Issue shall be shared with the Floating Rate Bond Issue, pro rata between them and on a pari passu basis.

The Issuer may provide Cash for Refinancing Security to a Cash for Refinancing Security Account against release of the Security Interest in the event of a Refinancing in the period of three months before the Maturity Date.

**Refinancing Put Option:**

In the event the Issuer has provided Cash for Refinancing Security in accordance with the Bond Terms Clause 3.3, each Bondholder shall have a right of pre-payment ("Refinancing Put Option") of its Bonds at 100 per cent of their Nominal Amount plus interest accruing up to the Maturity Date.

Exercise of the Refinancing Put Option shall be notified by a Bondholder to its Securities Register agent (to be forwarded to the Paying Agent), and the settlement date for the Refinancing Put Option will be 5 Business Days after the date of such notification. On the settlement date, the Bond Trustee shall release the applicable amount from the Cash for Refinancing Security Account for pre-payment of the Bonds being subject to exercise of the Refinancing Put Option.

In the event a Bondholder has not exercised its Refinancing Put Option within 10 Business Days of the Maturity Date, it will receive an amount equal to 100 per cent of the Nominal Amount of its Bonds plus accrued interest on the Maturity Date by release of the remaining balance from the Cash for Refinancing Security Account.

**Change of Control:**

If at any time from the Issue Date to the date falling 75 calendar days prior to the Maturity Date a Change of Control Event occurs, each Bondholder shall have a right of pre-payment ("Change of Control Put Option") of Bonds at 101 per cent of the Nominal Amount plus accrued interest. The Change of Control Put Option must be exercised by the Bondholder's notice to its Securities Register agent (to be forwarded to the Paying Agent) within 60 calendar days of the notice from the Issuer that a Change of Control Event has occurred (the "Put Period").

The settlement date for the Change of Control Put Option will be 5 Business Days after the end of the Put Period.

**Clean-up call:**

The Issuer shall have the right to redeem the Bonds at 101% of the Nominal Amount plus accrued interest if the amount outstanding is less than 10% of the total amount

issued under these Bond Terms.

**Total Loss Repayment:**

Upon the occurrence of a Total Loss Event, the Issuer shall notify the Bond Trustee whether it elects to:

- (a) continue the Bond Issue and use the insurance proceeds to rebuild the Total Loss Property; or
- (b) redeem the Bonds.

In the event alternative (a) is elected, the insurance proceeds shall be applied for reconstruction of the Total Loss Property subject to a plan satisfactory to the Bond Trustee (acting reasonably), in which event no mandatory prepayment shall apply. The insurance proceeds shall be deposited on a Norwegian bank account, pledged and blocked in favour of the Bond Trustee, and be released when required to be used for such rebuilding as set out above.

In the event alternative (b) is elected, a mandatory prepayment shall be made no later than 180 days after the date on which the Total Loss Event occurred, at 100% of the Nominal Amount (plus accrued but unpaid interest) by application of an amount which is the higher of (i) the insurance proceeds actually received following a Total Loss, and (ii) the ratable part of the Outstanding Bonds which is corresponding to the Total Loss Property's ratable part of the Market Value, provided that the prepayment shall not in any event exceed 100% of the Nominal Amount of all outstanding Bonds plus accrued interest.

**General covenants:**

See Bond Terms section 4.2.

**Information covenants:**

See Bond Terms section 4.3.

**Events of Default:**

See Bond Terms section 5.1.

**Use of proceeds:**

The Issuer will use the net proceeds from the issuance of the Bonds together with the proceeds from the issuance of the Floating Rate Bond Issue to refinancing the existing debt in Nordea and SEB and for its general corporate purposes.

**Approvals:**

The Bonds were issued in accordance with the Issuer's Board approval 18<sup>th</sup> May 2017.

**Listing:**

An application for listing will be sent Oslo Børs.

**Bond Terms:**

The Bond Terms has been entered into between the Issuer and the Trustee. The Bond Terms regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.

When bonds are subscribed/purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.

Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond Terms clause 7.



	Information regarding the role of the Trustee, see Bond Terms clause 8.
	The Bond Terms is attached to this Securities Note.
Documentation:	Registration Document, Securities Note, Bond Terms.
Availability of the Documentation:	<a href="http://www.norwegianproperty.no">www.norwegianproperty.no</a>
Trustee / Calculation Agent:	Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Joint Lead Managers:	Nordea Markets, Nordea Bank AB (publ), filial i Norge, P.O. Box 1166 Sentrum, 0109 Oslo, Norway, and Skandinaviska Enskilda Banken AB (publ) (SEB), Filipstad Brygge 1, 0252 Oslo, Norway.
Paying Agent:	SEB, Filipstad Brygge 1, 0252 Oslo, Norway The Paying Agent is in charge of keeping the records in the CDS.
Listing Agent:	NT Services AS, P.O. Box 1470 Vika, Norway.
CSD:	The central securities depository in which the Bonds are registered, being VPS ASA, Postboks 4, 0051 Oslo.
Market-Making:	There is no market-making agreement entered into in connection with the Bond Issue.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Issuer shall pay any stamp duty and other public fees in connection with the Bond Issue. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.
Fees:	Total expenses related to the admission to trading, for ISIN NO0010794241 and NO0010794258 is approximately NOK 100 000,-

## 4. Definitions

Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to the Bond Terms Clause 8.3 ( <i>Bondholders' rights</i> ).
Bond Terms:	The Bond Terms dated 29 <sup>th</sup> May 2017.
Cash for Refinancing Security:	Means a first priority cash security granted to the Bond Trustee in the event of a Refinancing, corresponding to the principal amount outstanding plus interest accruing up to the Maturity Date, serving as the sole and exclusive security for this debt only.
Cash for Refinancing Security Account:	A separate bank account established in an investment grade rated bank with a substantial Nordic business presence, with a minimum rating of A (S&P) and/or A2 (Moody's) and balance sheet of above NOK 300 billion or the equivalent in other currencies, acceptable to the Trustee, which is pledged and blocked in favor of the Trustee, where the cash corresponding to the Cash for Refinancing Security shall be deposited and be applied for timely payment on the relevant maturity date.
Change of Control Event:	If any person or group (as such term is defined in the Norwegian Limited Liability Companies Act §1-3), other than (i) Geveran Trading Co Ltd, or any other entity directly or indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family, or (ii) any entity where an entity as mentioned in item (i) holds 50% or more of the outstanding shares and/or voting rights, becomes the owner, directly or indirectly, of more than 50% of the outstanding shares and/or voting rights of the Issuer.
Floating Rate Bond Issue:	Means ISIN NO 0010794241 named "FRN Norwegian Property ASA Secured Bond Issue 2017/2024".
Market Value:	Means the market value of the Properties as evidenced by a report prepared by an independent and reputable real estate broker or valuer familiar with the Norwegian commercial real estate market appointed by the Issuer and acceptable to the Bond Trustee.
Outstanding Bonds:	Means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.
Permitted Existing Security:	Means each of the following rights and encumbrances registered in favour of third parties against the Properties at the date of this Bond Agreement:  (i) liens and rights registered in favour of the real property co-ownership (Nw. sameiet) relating to the Properties, as security for payments of fees to the real property co-ownership up to a total aggregate amount of NOK 10 million and lease rights registered in favour of certain lessees of the Properties; and  (ii) rights and encumbrances registered in favour of third parties that are not security for monetary claims or obligations (Nw. ikke-pengemessige heftelser), including agreements and certain other rights and encumbrances.
Properties:	Means each of the real properties specified in the Bond Terms Schedule 1 ( <i>Details of Properties</i> ).
Property Companies:	Means:  (i) Fondbygget AS (997 434 927);  (ii) Fondbygget ANS (954 478 785); and

	(iii) Fondbygget Retail AS (916 744 196), being the owners and/or title holders to the Properties, as further specified in the Bond Terms Schedule 1 ( <i>Details of Properties</i> ).
Prospectus:	The Registration Document and Securities Note together.
Refinancing:	Means the refinancing of the principal amount outstanding that is to be repaid.
Registration Document:	The Issuers Registration Document dated 3 <sup>rd</sup> January 2017.
Securities Note:	This document dated 26.06.2017.
Security Interest:	(a) A mortgage against the Properties such mortgage shall be registered with the best priority, ranking only behind the Permitted Existing Security (as defined below); and  (b) A first priority security over the insurances ( <i>fullverdiforsikring</i> ) related to the Properties by way of assignment of the insurances or by way of the Bond Trustee being noted as co-insured under the insurances,  in each case including any declaration of pledge relating thereto.
Supplement:	The Supplement no 1 to the Registration Document dated 26.06.2017
Total Loss Event:	A total loss of a building on the Properties, in each case determined as a "total loss" by reference to the underlying insurance agreement(s) and/or insurance policies.
Total Loss Property:	A building or Property being subject to a Total Loss Event.

## 5. Additional information

The involved persons in Norwegian Property ASA have no interest, nor conflicting interests that is material to the Issue.

Norwegian Property ASA has mandated Nordea Markets, Nordea Bank AB (publ), filial i Norge and SEB as Joint Lead Managers for the issuance of the Bond Issue. The Joint Lead Managers have acted as advisor to Norwegian Property ASA in relation to the pricing of the Bond Issue.

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers corporate finance departments may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

On behalf of the Norwegian Property ASA, Akershus Eiendom AS, conducted an independent valuation of the Property, see the attached valuation.

Advisors: Erik Andre Bratt and Tor-Øyvind Skjelvik, Akershus Eiendom AS  
Registered address: Haakon VII's g 5, 0161 Oslo  
PO Box 1739 Vika, 0123 Oslo  
E-post: [post@akershus-eiendom.no](mailto:post@akershus-eiendom.no)

**Background (advisors qualifications):**

Erik Andre Bratt, Head of valuation

Responsibilities: Property valuation and consulting/advisory

Experience: Erik has former work experience from PricewaterhouseCoopers AS, as an Associate and a Senior Associate from 2006 and 2007. Erik joined Akershus Eiendom in September 2007.

Education: MSc Economics & Business Administration, Norwegian School of Economics and Business Administration.

Tor-Øyvind Skjelvik, Analyst

Responsibilities: Market research, consulting/advisory and property valuation

Experience: Tor-Øyvind has former work experience from Deloitte AS, as an Associate and Senior. Tor-Øyvind joined Akershus Eiendom in November 2014.

Education: BBA, BI Norwegian Business School. MSc, NHH Norwegian School of Economics.

**Interests of the Issuer:**

Akershus Eiendom AS contributes with quarterly valuations of the Group's properties initiated by the Issuer. Akershus Eiendom is one of the leading commercial real estate agent in Norway.

Akershus Eiendom has been involved with leasing activities for several of Norwegian Property's properties as well as advisor on previous property transactions involving Norwegian Property.

The information provided by third parties has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Akershus Eiendom is Norway's leading commercial real estate agent, offering services related to transactions, leasing, research and valuation of commercial real estate. Akershus Eiendom was established in 1992 offering services within the fields of transactions and leasing of commercial real estate. The company has since taken part in some of the largest transactions in the market. In 1997, the company established a separate leasing department, and in 2001 the department for research and valuation was added to the organization.

We hereby confirm that Norwegian Property ASA can use Q1 2017 valuation in connection with bond financing of properties. The valuation is prepared in connection with the presentation of accounts and is not valid without the associated valuation note.

Erik Andre Bratt  
Head of Valuation

**Statement from the Listing Agent:**

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

## **6. Appendix:**

1. Bond Terms
2. Estimation of value of the Property

## Bond Terms

<b>Issuer:</b>	<b>Norwegian Property ASA</b>
Company No	988 622 036
<b>with Bond Trustee:</b>	<b>Nordic Trustee ASA</b>
Company no	963 342 624
on behalf of the Bondholders in:	Norwegian Property ASA 2.95% Secured Bond Issue 2017/2024
with ISIN:	NO 0010794258
Dated:	29 May 2017

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in these Bond Terms, which shall remain in effect for so long as any Bonds remain outstanding:

### 1. MAIN TERMS OF THE BONDS

Amount	450,000,000
Initial Nominal Amount:	1,000,000
Currency:	NOK (Norwegian kroner)
Issue Date:	31 May 2017
Maturity Date:	31 May 2024
Redemption Price:	100 % of Nominal Amount
Call:	Clean-up call only, see Clause 3.6
Put:	Upon a Change of Control Event (see Clause 3.5) and if Cash for Refinancing Security is provided (see Clause 3.4)
Interest Rate:	2.95 % p.a.
Interest Payment Date:	31 May each year. First interest payment date being 31 May 2018
Day Count Convention:	30/360
Business Day Convention:	No Adjustment
Listing:	Yes; Oslo Børs
Special Conditions:	See Clause 3

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## 2. INTERPRETATION

In these Bond Terms, capitalised terms set out in Clause 1 (*Main terms of the Bonds*) shall have the meaning set out therein, and additionally the following capitalised terms shall have the meaning set out below:

Bond Terms:	This agreement including any attachments hereto, and any subsequent amendments and additions agreed between the parties hereto.
Bond Trustee:	The company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.
Bond Trustee Agreement:	An agreement to be entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds unless otherwise agreed in these Bond Terms.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 8.3 ( <i>Bondholders' rights</i> ).
Bondholders' Meeting:	Meeting of Bondholders as set forth in Clause 7 of these Bond Terms.
Bonds:	The debt instruments issued by the Issuer pursuant to these Bond Terms.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Business Day Convention:	Means that : (i) If Modified Following Business Day is specified (FRN), the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day. (ii) If No Adjustment is specified (Fixed Rate), no adjustment will be made to the Interest Period.
Call:	Issuer's early redemption right of Bonds at the date(s) stated (the "Call Date") and corresponding price(s) (the "Call Price"), ref. Clause 4.6 ( <i>Payments in respect of the Bonds</i> ). If NA is specified, the provisions regarding Call do not apply.
Cash for Refinancing Security:	Means a first priority cash security granted to the Bond Trustee in the event of a Refinancing, corresponding to the principal amount outstanding plus interest accruing up to the Maturity Date, serving as the sole and exclusive security for this debt only.
Cash for Refinancing Security Account:	A separate bank account established in an investment grade rated bank with a substantial Nordic business presence, with a minimum rating of A (S&P) and/or A2 (Moody's) and balance sheet of above NOK 300 billion or the equivalent in other currencies, acceptable to the Trustee, which is pledged and blocked in favor of the Trustee, where the cash corresponding to the Cash for Refinancing Security shall be deposited and be applied for timely payment on the relevant maturity date.
Change of Control Event:	If any person or group (as such term is defined in the Norwegian Limited Liability Companies Act §1-3), other than (i) Geveran Trading Co Ltd, or any other entity directly or indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family, or (ii) any entity where an entity as mentioned in item (i) holds 50% or more of the outstanding shares and/or voting rights, becomes the owner, directly or indirectly, of more than 50% of the outstanding shares and/or voting rights of the Issuer.
CSD:	The central securities depository in which the Bonds are registered, being VPS ASA.



Day Count Convention:	The convention for calculation of payment of interest; (i) If Fixed Rate, the interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis). (ii) If FRN, the interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
Default Notice:	A written notice to the Issuer as described in Clause 5.2 ( <i>Acceleration of the Bonds</i> ).
Event of Default:	Means any of the events or circumstances specified in Clause 5.1 ( <i>Events of Default</i> ).
Exchange:	Shall have the meaning ascribed to such term in Clause 1 ( <i>Main terms of the Bonds</i> ), setting out the exchange or other recognized marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If NA is specified, the terms of these Bond Terms covering Exchange do not apply.
Finance Documents:	Means these Bond Terms, the Security Documents and any Bond Trustee Agreement.
Financial Undertaking:	Entity with authorization according to the Norwegian Financial Undertaking Act (2015/17)
Fixed Rate:	Means if the Interest Rate is stated in percentage (%).
Floating Rate Bond Issue:	Means ISIN NO 0010794241 named "FRN Norwegian Property ASA Secured Bond Issue 2017/2024".
FRN:	Means if the Interest Rate is stated as Reference Rate + Margin.
Group:	Means the Issuer and its subsidiaries.
Interest Period	Means, subject to adjustment in accordance with the Business Day Convention, the periods set out in Clause 1, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest Rate	Rate of interest applicable to the Bonds; (i) If Fixed Rate, the Bonds shall bear interest at the percentage (%) set out in Clause 1. (ii) If FRN the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin as set out in Clause 1. Any interpolation will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate. If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero.
Interest Payment Date:	Means the last day of each Interest Period.
Interest Quotation Date	Means, in relation to any period for which an Interest Rate is to be determined, the day falling two Business Days before the first day of the relevant Interest Period.
Issuer:	The company designated as such in the preamble to these Bond Terms.
Issuer's Bonds:	Bonds owned by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence.
Listing:	Indicates listing of the Bonds. If YES is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange. If NO is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Margin:	Means, if FRN, the margin of the Interest Rate. The provisions regarding Margin do not apply for Fixed Rate.
Market Value:	Means the market value of the Properties as evidenced by a report prepared by an independent and reputable real estate broker or valuer familiar with the Norwegian commercial real estate market appointed by the Issuer and acceptable to the Bond Trustee.
Maturity Date:	Means the date set out in Clause 1, or any other day where the



	Outstanding Bonds are paid in full, adjusted according to the Business Day Convention.
NA:	Means that the provision to which NA is designated is not applicable to these Bond Terms.
NIBOR:	Means, for FRN, the Norwegian Interbank Offered Rate, being the interest rate fixed for a period comparable to the relevant period between each Interest Payment Date on Oslo Børs' webpage at approximately 12.15 (Oslo time) on the Interest Quotation Date or, on days on which Oslo Børs has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Date shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo.
Nominal Amount:	Means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 4.6 ( <i>Payments in respect of the Bonds</i> ).
Outstanding Bonds:	Means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.
Paying Agent:	The legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.
Payment Date:	Means any Interest Payment Date or any Repayment Date.
Permitted Existing Security:	Means each of the following rights and encumbrances registered in favour of third parties against the Properties at the date of this Bond Agreement: <ul style="list-style-type: none"> <li>(i) liens and rights registered in favour of the real property co-ownership (Nw. sameiet) relating to the Properties, as security for payments of fees to the real property co-ownership up to a total aggregate amount of NOK 10 million and lease rights registered in favour of certain lessees of the Properties; and</li> <li>(ii) rights and encumbrances registered in favour of third parties that are not security for monetary claims or obligations (Nw. ikke-pengemessige heftelser), including agreements and certain other rights and encumbrances.</li> </ul>
Properties:	Means each of the real properties specified in Schedule 1 ( <i>Details of Properties</i> ).
Property Companies:	Means: <ul style="list-style-type: none"> <li>(i) Fondbygget AS (997 434 927);</li> <li>(ii) Fondbygget ANS (954 478 785); and</li> <li>(iii) Fondbygget Retail AS (916 744 196),</li> </ul> being the owners and/or title holders to the Properties, as further specified in Schedule 1 ( <i>Details of Properties</i> ).
Reference Rate	NIBOR rounded to the nearest hundredth of a percentage point on each Reset Date, for the period stated. If NA is specified, Reference Rate does not apply.

Refinancing:	Means the refinancing of the principal amount outstanding that is to be repaid.
Relevant Record Date:	<p>means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:</p> <ul style="list-style-type: none"> <li>(a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;</li> <li>(b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and</li> <li>(c) for the purpose of casting a vote in a Written Resolution: <ul style="list-style-type: none"> <li>(i) the date falling 3 Business Days after the Summons have been published; or,</li> <li>(ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.</li> </ul> </li> </ul>
Repayment Date:	Means any date for payment of instalments, payment of any Call or the Maturity Date, or any other days of repayments of Bonds.
Security Documents:	Means, collectively, all the documents evidencing, creating or granting the Security Interest.
Security Interest:	<ul style="list-style-type: none"> <li>(a) A mortgage against the Properties such mortgage shall be registered with the best priority, ranking only behind the Permitted Existing Security (as defined below); and</li> <li>(b) A first priority security over the insurances (<i>fullverdiforsikring</i>) related to the Properties by way of assignment of the insurances or by way of the Bond Trustee being noted as co-insured under the insurances,</li> </ul> <p>in each case including any declaration of pledge relating thereto.</p>
Summons:	Means the call for a Bondholders' Meeting or a Written Resolution as the case may be.
Total Loss Event:	A total loss of a building on the Properties, in each case determined as a "total loss" by reference to the underlying insurance agreement(s) and/or insurance policies.
Total Loss Property:	A building or Property being subject to a Total Loss Event.
Voting Bonds:	Outstanding Bonds less the Issuer's Bonds.
Written Resolution:	Means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 7.5 ( <i>Written Resolutions</i> ).





### 3. SPECIAL TERMS OF THE BONDS

#### 3.1. Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds together with the proceeds from the issuance of the Floating Rate Bond Issue to refinancing the existing debt in Nordea and SEB and for its general corporate purposes.

#### 3.2. Status

The Issuer's payment obligations under these Bond Terms shall rank ahead of all subordinated payment obligations of the Issuer and the Bond shall rank *pari passu* between themselves and will rank at least *pari passu* with all the Issuer's obligations, save for (i) secured obligations to the extent they are secured and (ii) obligations which are mandatorily preferred by law.

#### 3.3. Security

The Bonds including interest and expenses shall be secured by the Security Interest or the Cash for Refinancing Security (as applicable). The security of the Bond Issue shall be shared with the Floating Rate Bond Issue, *pro rata* between them and on a *pari passu* basis.

The Issuer may provide Cash for Refinancing Security to a Cash for Refinancing Security Account against release of the Security Interest in the event of a Refinancing in the period of three months before the Maturity Date.

#### 3.4. Refinancing Put Option

In the event the Issuer has provided Cash for Refinancing Security in accordance with Clause 3.3, each Bondholder shall have a right of pre-payment ("**Refinancing Put Option**") of its Bonds at 100 per cent of their Nominal Amount plus interest accruing up to the Maturity Date.

Exercise of the Refinancing Put Option shall be notified by a Bondholder to its Securities Register agent (to be forwarded to the Paying Agent), and the settlement date for the Refinancing Put Option will be 5 Business Days after the date of such notification. On the settlement date, the Bond Trustee shall release the applicable amount from the Cash for Refinancing Security Account for pre-payment of the Bonds being subject to exercise of the Refinancing Put Option.

In the event a Bondholder has not exercised its Refinancing Put Option within 10 Business Days of the Maturity Date, it will receive an amount equal to 100 per cent of the Nominal Amount of its Bonds plus accrued interest on the Maturity Date by release of the remaining balance from the Cash for Refinancing Security Account.

#### 3.5. Change of Control

If at any time from the Issue Date to the date falling 75 calendar days prior to the Maturity Date a Change of Control Event occurs, each Bondholder shall have a right of pre-payment ("**Change of Control Put Option**") of Bonds at 101 per cent of the Nominal Amount plus accrued interest. The Change of Control Put Option must be exercised by the Bondholder's notice to its Securities Register agent (to be forwarded to the Paying Agent) within 60 calendar days of the notice from the Issuer that a Change of Control Event has occurred (the "**Put Period**").

The settlement date for the Change of Control Put Option will be 5 Business Days after the end of the Put Period.

#### 3.6. Clean-up call

The Issuer shall have the right to redeem the Bonds at 101% of the Nominal Amount plus accrued interest if the amount outstanding is less than 10% of the total amount issued under these Bond Terms. See also Clause 4.6.3.

### **3.7. Total Loss Repayment**

Upon the occurrence of a Total Loss Event, the Issuer shall notify the Bond Trustee whether it elects to:

- (a) continue the Bond Issue and use the insurance proceeds to rebuild the Total Loss Property; or
- (b) redeem the Bonds.

In the event alternative (a) is elected, the insurance proceeds shall be applied for reconstruction of the Total Loss Property subject to a plan satisfactory to the Bond Trustee (acting reasonably), in which event no mandatory prepayment shall apply. The insurance proceeds shall be deposited on a Norwegian bank account, pledged and blocked in favour of the Bond Trustee, and be released when required to be used for such rebuilding as set out above.

In the event alternative (b) is elected, a mandatory prepayment shall be made no later than 180 days after the date on which the Total Loss Event occurred, at 100% of the Nominal Amount (plus accrued but unpaid interest) by application of an amount which is the higher of (i) the insurance proceeds actually received following a Total Loss, and (ii) the ratable part of the Outstanding Bonds which is corresponding to the Total Loss Property's ratable part of the Market Value, provided that the prepayment shall not in any event exceed 100% of the Nominal Amount of all outstanding Bonds plus accrued interest.

## **4. GENERAL TERMS OF THE BONDS**

### **4.1. Conditions precedent**

#### *4.1.1. Conditions precedent to the Issue Date*

- (a) The Bond Trustee shall have received the following documentation, no later than 2 – two – Business Days prior to the Issue Date:
  - (i) these Bond Terms duly signed,
  - (ii) the corporate resolution of the Issuer and each Property Company required to issue the Bonds and enter into the Finance Documents to which it is a party,
  - (iii) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer and each Property Company the Finance Documents to which it is a party and other relevant documents in relation thereto, (Company Certificate, Power of Authority etc.),
  - (iv) the Issuer's and each Property Company's Articles of Association,
  - (v) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled,
  - (vi) to the extent necessary, any public authorisations required for the issue of the Bonds,
  - (vii) confirmation that the Bonds have been registered in the CSD,
  - (viii) the Bond Trustee Agreement duly signed,
  - (ix) a written confirmation from Skandinaviska Enskilda Banken (SEB) that the existing security interest over the Properties will promptly be released and discharged upon redemption of the existing debt,

- (x) the Security Documents duly executed by all parties thereto,
  - (xi) a payment instruction and/or release notice from the Issuer, in the form agreed between the Issuer and the Bond Trustee;
  - (xii) confirmation that all conditions precedent to the issue date under the Floating Rate Bond Issue have been satisfied;
  - (xiii) confirmation according to Clause 4.1.2 (e) (*Confirmation*) if applicable,
  - (xiv) any other relevant documentation presented in relation to the issue of the Bonds, and
  - (xv) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 4.1 (*Conditions precedent*).
- (b) The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in this Clause 4.1 (*Conditions precedent*).
- (c) The Issuance of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the manager of the issuance of the Bonds and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

#### 4.1.2. *Representations and warranties*

##### (a) *General*

The Issuer makes the representations and warranties set out in this Clause 4.1.2 (*Representations and warranties*) to the Bond Trustee (on behalf of the Bondholders) on the date of these Bond Terms with reference to the facts and circumstances then existing.

##### (b) *Information*

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (i) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (ii) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

##### (c) *Requirements*

- (i) The Issuer has made a valid resolution to issue the Bonds and the provisions of the Finance Documents do not contravene any of the Issuer's other obligations.
- (ii) All public requirements have been fulfilled (i.e. pursuant to chapter 7 of the Norwegian Securities Trading Act), and any required public authorisation has been obtained.

##### (d) *No Event of Default*

No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

##### (e) *Confirmation*

The Bond Trustee may require a statement from the Issuer confirming the Issuer's compliance with this Clause 4.1.2 (*Representations and warranties*) at the times set out above.

## 4.2 General covenants

The Issuer undertakes to:

- a) ensure that the companies constituting the Property Companies remain to be wholly owned subsidiaries (directly or indirectly) of the Issuer;
- b) not to create or permit to exist any encumbrance over (1) any of the company capital/shares of the Property Companies, (2) any intercompany receivables between the Issuer and any of the Property Companies or (3) the Properties other than:
  - (i) the Security Interest;
  - (ii) any Permitted Existing Security;
  - (iii) any netting or set-off arrangement entered into in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group; and
  - (iv) liens by operation of law (*legalpant*);
- c) remain, directly or indirectly, the sole owner of the ownership of the Properties and hold, directly or indirectly, the title of the Properties;
- d) procure that the Property Companies do not engage in any business activity which is not related to the administration and development of the Properties;
- e) procure that the Property Companies do not enter into any amalgamation, demerger, merger or corporate reconstruction, other than with the Issuer or other companies owned 100 %, directly or indirectly, by the Issuer, and with the Issuer, or that other company, as the surviving entity;
- f) not amend or agree to amend, without the prior written approval of the Bond Trustee, any management contract or lease contract on any of the Properties in a manner which material adverse effect (i) the Issuer's ability to perform its payment obligations under the Bond Agreement or (ii) not significantly deteriorate the value of the Properties
- g) procure that the Properties and all inventory is kept in a state of good and safe condition and state of repair consistent with good industry standard, and, if necessary, replaced with items of similar quality and value;
- h) arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee, to inspect the Properties after the occurrence of an Event of Default (which is continuing) and at reasonable expense of the Issuer, and shall give to the Bond Trustee and/or any person appointed by the Bond Trustee, reasonable access to staff, inventory and documentation for on-going operation;
- i) ensure that each of the Properties are insured for its full value (in Norwegian: "fullverdiforsikret") against all such risks as are customary for companies engaged in real estate to take out, with reputable insurance companies; and
- j) ensure that no member of the Group shall grant any loan to any party other than:
  - (i) to another member of the Group; or
  - (ii) in the ordinary course of business.

The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):

- k) sell or otherwise dispose of all or parts of its assets or business,
- l) change the nature of its business, or

m) merge, demerge or in any other way restructure its business,

if, for each of (k) to (m) above, such action will materially and adversely affect the Issuer's ability to fulfil its obligations under these Bond Terms.

#### **4.3 Information covenants**

The Issuer undertakes to:

- (a) inform the Bond Trustee promptly of any Event of Default pursuant to these Bond Terms, and of any situation which the Issuer understands or should understand could lead to an Event of Default,
- (b) inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfil its obligations pursuant to these Bond Terms,
- (c) inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations or change the nature of its business,
- (d) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee,
- (e) upon request report to the Bond Trustee the balance of Issuer's Bonds,
- (f) provide a copy to the Bond Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- (g) send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to these Bond Terms,
- (h) inform the Bond Trustee of changes in the registration of the Bonds in the CSD, and
- (i) annually in connection with the release of its annual report, and upon request, confirm to the Bond Trustee compliance with any covenants set forth in these Bond Terms.

#### **4.4 Registration of Bonds**

The Issuer shall continuously ensure the correct registration of the Bonds in the CSD.

#### **4.5 Listing and prospectus**

- (a) In the event that the Bonds are listed on the Exchange, matters concerning the listing requiring the approval of the Bondholders shall be resolved pursuant to the terms of these Bond Terms.
- (b) In the event that the Bonds are listed on the Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.
- (c) The Issuer shall ensure that these Bond Terms shall be incorporated in any prospectus and other subscription or information materials related to the Bonds.

#### **4.6 Payments in respect of the Bonds**

##### *4.6.1 Covenant to pay*

- (a) On each Interest Payment Date the Issuer shall in arrears pay the accrued Interest Rate amount to the Bondholders.
- (b) On the Maturity Date the Issuer shall pay in respect of each Bond the Nominal Amount multiplied by the Redemption Price to the Bondholders.
- (c) If exercising a Call or Put, the Issuer shall at the relevant Payment Date indicated under Call or Put pay to the Bondholders the Nominal Amount of the Bonds to be redeemed multiplied by the relevant price for the relevant date on the redeemed Bonds.



- (d) If a Payment Date falls on a day on which is not a Business Day, the payment shall be made on the first following Business Day.
- (e) The Issuer undertakes to pay to the Bond Trustee any other amount payable pursuant to the Finance Documents at its due date.
- (f) The Issuer may not apply any counterclaims in set-off against its Interest Payment Date obligations pursuant to the Finance Documents.
- (g) Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to these Bond Terms and will be made to the Bondholders registered as such in the CSD at the Relevant Record Date for the actual payment.
- (h) In the event that the Issuer has not fulfilled its payment obligations pursuant to these Bond Terms, regardless of whether an Event of Default has been declared or not, interest shall accrue on the amount due at the higher of:
  - (i) the seven day NIBOR plus 3.0 percentage points (to be fixed two Business Days before due date and thereafter weekly), or
  - (ii) the applicable Margin at the due date plus 3.0 percentage points.
- (i) Default interest shall be added to any amount due but unpaid on a monthly basis and accrue interest together with such amount (compound interest).

#### 4.6.2 *Interest Rate calculation and fixing*

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period (or the Issue Date, for the first Interest Period), and ending on but excluding the last date of the Interest Period..
- (b) The Interest Rate shall be calculated based on the Day Count Convention.
- (c) If FRN, the Interest Rate shall be adjusted by the Bond Trustee on each Interest Quotation Date during the term of the Bonds. The Bondholders, the Issuer, the Paying Agent and the Exchange (to the extent applicable) shall be notified of the new Interest Rate applicable for the next Interest Period.
- (d) Interest will accrue on the Nominal Amount of any Additional Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Additional Bonds (or the Issue Date, for the first Interest Period).

#### 4.6.3 *Exercise of Call*

- (a) Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date.
- (b) Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the CSD).

#### 4.6.4 *Partial payments*

- (a) If a payment relevant to the Bonds is insufficient to discharge all amounts then due and payable under the Finance Documents (a “**Partial Payment**”), such Partial Payment shall, in respect of the Issuer’s debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee and any Security Agent,
  - (ii) secondly, towards accrued interest due but unpaid; and

- (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

## 5 EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

### 5.1 Events of Default

Each of the events or circumstances set out in this Clause 5.1 (*Events of Default*) shall constitute an Event of Default:

- (a) *Non-payment*: The Issuer fails to fulfil any payment obligation pursuant to Clause 4.6.1 (*Covenant to pay*) unless, in the opinion of the Bond Trustee, it is obvious that such failure will be remedied, and payment is made within 5 – five – Business Days following the original due date.
- (b) *Breach of undertaking*: The Issuer fails to duly perform any other substantial obligation pursuant to these Bond Terms, unless, in the opinion of the Bond Trustee, such failure is capable of remedy and is remedied within 20 – twenty – Business Days from the date the Issuer became aware thereof.
- (c) *Misrepresentation*: Any representation, warranty or statement made by the Issuer under or in connection with any Finance Document is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are, in the opinion of the Bond Trustee, capable of remedy and are remedied within 20 – twenty – Business Days from the date the Issuer became aware thereof.
- (d) *Cross acceleration*: The Issuer fails to fulfil any other financial indebtedness (including any guarantee liabilities), which is declared due and repayable prior to its specified maturity as a result of an event of default (however described), provided that the aggregate amount of such financial indebtedness exceeds the higher of NOK 30,000,000 (Norwegian Kroner thirty million) or 1% of the Issuer's book equity pursuant to its latest audited accounts.
- (e) *Cross default*: The Issuer fails to fulfil any financial indebtedness (including any guarantee liabilities) under the Floating Rate Bond Issue which is or could be declared due and repayable prior to its specified maturity as a result of an event of default (however described).
- (f) *Insolvency or creditor's process*: The Issuer becomes subject to insolvency or is taken under public administration, by reason of actual or anticipated financial difficulties enters into debt negotiations with any of its creditors other than pursuant to these Bond Terms, admits to insolvency or if a substantial proportion of the Issuer's assets are impounded, taken under enforcement proceedings, confiscated or subject to distraint.
- (g) *Dissolution*: The Issuer is resolved to be dissolved.
- (h) *Unlawfulness*: It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents in any material respect.

## 5.2 Acceleration of the Bonds

If an Event of Default has occurred and is not remedied or waived, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 5.3 (*Bondholders' instructions*) below, by serving a Default Notice:

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

## 5.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 5.2 (*Acceleration of the Bonds*) if:

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

## 5.4 Indemnification

The Bond Trustee shall be indemnified by the Bondholders for any results (including any expenses, costs and liabilities) of taking action pursuant to Clause 5.3 (*Bondholders' instruction*) or pursuant to the Bondholders' Meeting having declared the Bonds to be in default. The Bond Trustee may claim indemnity and security from the Bondholders who put forward the demand in accordance with Clause 5.3 (*Bondholders' instruction*) or voted for the adopted resolution at the Bondholders' Meeting.

# 6 THE BONDHOLDERS

## 6.1 Bond Terms binding on all Bondholders

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

## 6.2 Limitation of rights of action

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

purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

### **6.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

## **7**

### **BONDHOLDERS' DECISIONS**

This Bond Issue will have joint Bondholders' Meetings with the Floating Rate Bond Issue, but with separate voting for the Bondholders and the bondholders of the Floating Rate Bond Issue in matters:

- (a) concerning interest rate and interest related matters; or
- (b) which may give the bondholders in the Floating Rate Bond Issue better rights than the Bondholders and *vice versa*.

#### **7.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 8.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least 50% of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 9.1.1 (*Procedure for amendments and waivers*) sections (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

#### **7.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
  - (i) the Issuer;

- (ii) Bondholders representing at least 1/10 of the Voting Bonds;
- (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
- (iv) the Bond Trustee.

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting unless this would constitute a breach by the Issuer's obligations pursuant to Clause 4.6.1 (*Covenant to pay*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in Oslo). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee (the "**Chairman**"). If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and the Chairman elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairman may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairman will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairman. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairman and at least one other person. The minutes will be

deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### 7.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 6.3 (*Bondholders' rights*). The Chairman may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairman shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 7 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 6.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairman will have the deciding vote.

### 7.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 7.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), Clause 7.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 7.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 7.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 7.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 7.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

### 7.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 7.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the



relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), 7.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 7.3 (*Voting Rules*) and Clause 7.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 7.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 7.5 (*Written Resolution*),shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**").
- (f) The Voting Period shall be at least three (3) Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 7.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than 15 Business Days from the date of the Summons.
- (g) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (h) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 7.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (i) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (j) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 7.1 (*Authority of Bondholders' Meeting*).

## 8

### THE BOND TRUSTEE

#### 8.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action,



including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.
- (c) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

## **8.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 8.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.



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

### **8.3 Equality and conflicts of interest**

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

### **8.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
  - (i) acted in accordance with advice from or opinions of reputable external experts; or
  - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is to the interests of the Bondholders to delay or perform any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. For Nordic Financial Undertakings, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site ([www.nordictrustee.no](http://www.nordictrustee.no)) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.



- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 5.3 (*Bondholders' instructions*) or Clause 7.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **8.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 6 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 8.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 8.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## 9.1 Amendments and waivers

### 9.1.1 Procedure for amendments and waivers

Amendments of these Bond Terms may only be made with the approval of the parties to these Bond Terms, with the exception of amendments related to Clause 8.5 (*Replacement of the Bond Trustee*).

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 7 (*Bondholders' Decisions*).

### 9.1.2 Authority with respect to documentation

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

### 9.1.3 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 9.1 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

## 9.2 The Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including, to the extent applicable with respect to Bonds purchased pursuant to an put option).

## 9.3 Expenses

- (a) The Issuer shall cover all its own expenses in connection with these Bond Terms and the fulfillment of its obligations hereunder, including the 'preparation of these Bond Terms, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the CSD.
- (b) The expenses and fees payable to the Bond Trustee shall be paid by the Issuer. For Financial Undertaking, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site ([www.trustee.no](http://www.trustee.no)) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into. Fees and expenses payable to the Bond Trustee which, due to insolvency or similar by the Issuer, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the Bondholders.

- (c) Any public fees payable in connection with these Bond Terms and fulfilling of the obligations pursuant to these Bond Terms shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- (d) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

#### 9.4 Notices

- (a) Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the CSD with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site [www.stamdata.no](http://www.stamdata.no).
- (b) The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the CSD with a copy to the Bond Trustee and the Exchange.

#### 9.5 Contact information

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

#### 9.6 Governing law

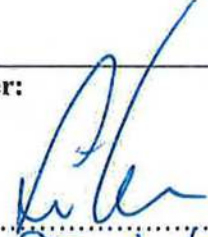

These Bond Terms shall be governed by and construed in accordance with Norwegian law.

#### 9.7 Jurisdiction

- (a) The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the Oslo district court (*Oslo Tingrett*) shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms (a "**Dispute**"). The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court and that the Issuer shall be prevented from taking proceedings relating to a Dispute in any other court of law.
- (b) Paragraph (a) above has been agreed for the benefit of the Bond Trustee and the Bondholders only. 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 also take concurrent proceedings in any number of jurisdictions. Accordingly, it is agreed that the Oslo district court (*Oslo Tingrett*) has non-exclusive jurisdiction to settle any Dispute.

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#### SIGNATURES:

<p><b>The Issuer:</b></p>  <p>.....</p> <p>: <b>SVEIN MØRSTVEDT</b> :</p> <p><b>CEO</b></p>	<p><b>The Bond Trustee:</b></p> <div style="border: 1px solid blue; padding: 5px; text-align: center;"> <p><b>NORDIC TRUSTEE ASA</b></p>  <p>Jørgen Andersen Advokat/Attorney-at-Law</p> </div> <p>.....</p> <p>: <b>JØRGEN ANDERSEN</b> :</p>
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**SCHEDULE 1**  
**DETAILS OF PROPERTIES**

<b>Owner</b>	<b>Land no. (Gnr.)</b>	<b>Title no. (Bnr.)</b>	<b>Unit no. (Seksjon)</b>	<b>Municipality</b>	<b>Title holder (Hjemmelshaver)</b>
Fondbygget AS	209	448	59-93	Oslo	Fondbygget AS
Fondbygget Retail AS	209	448	94-101	Oslo	Fondbygget ANS
Fondbygget Retail AS	509	1	50,52,54-57, 59 and 64	Oslo	Fondbygget ANS

# VERDIVURDERING

## Fondbygget (inkl. retailarealer)

Salgsverdi	1 060,8 MNOK	Dato for vurdering	31. mars 2017
Verdi avkastningseiendom	1 063,8 MNOK	Oppdragsgiver	Norwegian Property
Verdi utviklingspotensial	- MNOK	Befaringsdato	06.02.2015
Gjenstående investeringer	-3,0 MNOK		

### Verdivurderingens formål

Verdivurderingen kan benyttes til regnskapsmessige- og finansieringsformål. Verdivurderingen skal ikke benyttes til ekstern markedsføring eller salg av eiendommen.

### Kommentarer / forutsetninger

Det gjenstår NOK 3 millioner i investeringskostnader.

### Nøkkeldata

Markedsleie	48,4 MNOK
Kontraktsleie	41,6 MNOK
Omsetning ekskl. mva	114,8 MNOK

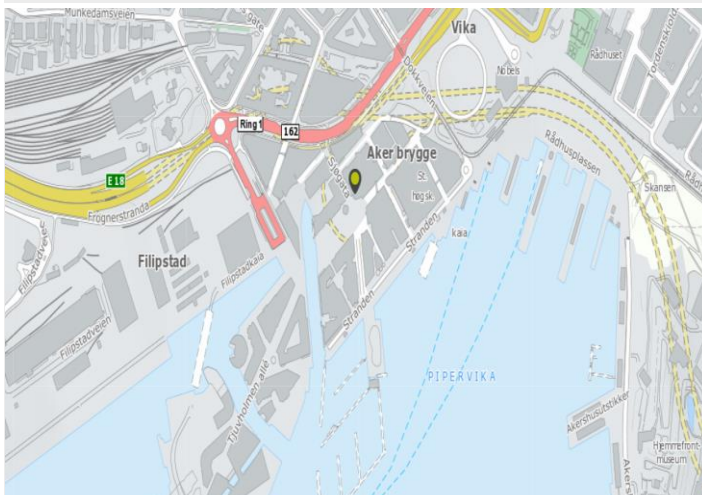
Gjenstående kontraktsløpetid	5,0 år
Gj.kontr.løpetid inkl opsjoner (like vilkår)	5,0 år
Gj.kontr.løpetid (leiejustert)	5,7 år
Ledig areal	3 449 m <sup>2</sup>
Arealledighet	21,0 %
Økonomisk ledighet	19,7 %

Verdi/m <sup>2</sup>	64 600 NOK/m <sup>2</sup>
Verdi/m <sup>2</sup> ex parkering	64 600 NOK/m <sup>2</sup>
Omsetning/m <sup>2</sup>	131 818 NOK/m <sup>2</sup>

Nettoyield (løpende leie)	3,64 %
Nettoyield (ledig til markedsleie)	4,61 %
Nettoyield (kun markedsleie)	4,28 %
Nettoyield gitt vv-tidspunkt	3,66 %
Nettoyield (12 mnd rullerende leie)	3,92 %
Nettoyield (kun fast leie)	3,64 %

### Eiendomsinformasjon

Eier	Norwegian Property ASA
Adresse	Bryggegate 18
Gnr/Bnr/Snr	209/448/59-101, 509/1/50,52, 54-57, 59, 64
Tomtestørrelse	3 310 m <sup>2</sup>
Eierforhold tomt	Eiet
Regulering	Næring
Byggeår / Rehabiliter	1989 /
Totalt areal	16 414 m <sup>2</sup>
Vernestatus	Ingen kjente



# VERDIVURDERING

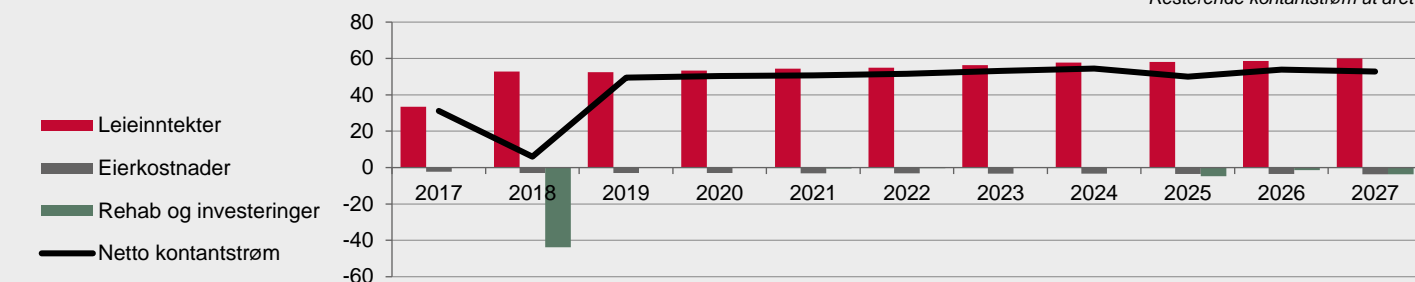
## Fondbygget (inkl. retailarealer)

31.03.2017

### Overordnet kontantstrøm, MNOK

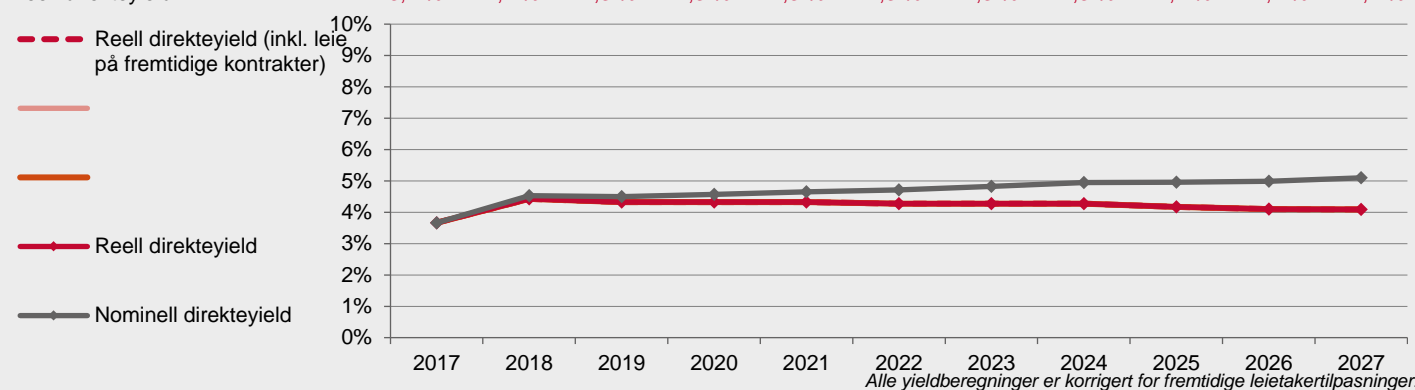
	2017*	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Leieinntekter	33,4	52,9	52,5	53,4	54,3	55,0	56,4	57,8	58,1	58,6	60,1
Eierkostnader	-2,2	-3,0	-3,0	-3,1	-3,1	-3,2	-3,3	-3,3	-3,4	-3,5	-3,6
Rehabiliteringskostnader	-	-43,9	-	-	-0,4	-0,3	-	-	-4,7	-1,3	-3,7
Investeringer	-	-	-	-	-	-	-	-	-	-	-
Netto kontantstrøm	31,2	6,0	49,5	50,4	50,8	51,6	53,1	54,5	50,0	53,8	52,8

\* Resterende kontantstrøm ut året



### Langsiktig avkastning per år

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Nominell direkteyield	3,7 %	4,5 %	4,5 %	4,6 %	4,7 %	4,7 %	4,8 %	4,9 %	5,0 %	5,0 %	5,1 %
Reell direkteyield	3,7 %	4,4 %	4,3 %	4,3 %	4,3 %	4,3 %	4,3 %	4,3 %	4,2 %	4,1 %	4,1 %

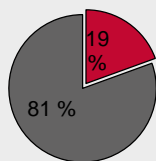


Alle yieldberegninger er korrigert for fremtidige leietakertilpasninger.

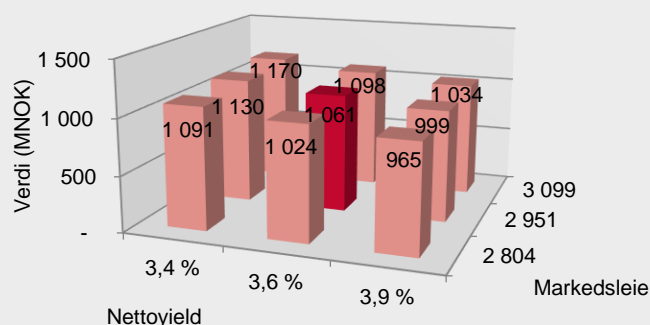
### Andel av verdi som er kontraktsfestet

Verdi (eks investeringer)	1 064 MNOK
Andel av verdi som er kontraktsfestet	207,0 MNOK
Andel av verdi som ikke er kontraktsfestet	856,8 MNOK
Andel av verdi som ikke er kontraktsfestet	52 200 NOK/m <sup>2</sup>

- Andel av verdi som er kontraktsfestet
- Andel av verdi som ikke er kontraktsfestet

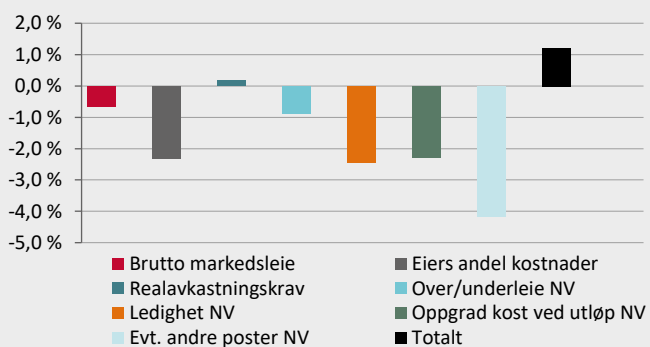


### Sensitivitet



### Verdivurderingssammendrag (kun for bruk til IPD)

Brutto markedsleie	48,4
Eiers andel kostnader	2,9
Netto markedsleie	45,6
Realavkastningskrav	4,15 %
Nåverdi beregnet av markedsleie	1 098
Over/underleie NV	18,2
Ledighet NV	-11,1
Oppgrad kost ved utløp NV	-49,7
Evt. andre poster NV	5,2
Markedsverdi	1 061
Kalkulert realavkastning	4,15 %





# VERDIVURDERING

## Fondbygget (inkl. retailarealer)

31.03.2017

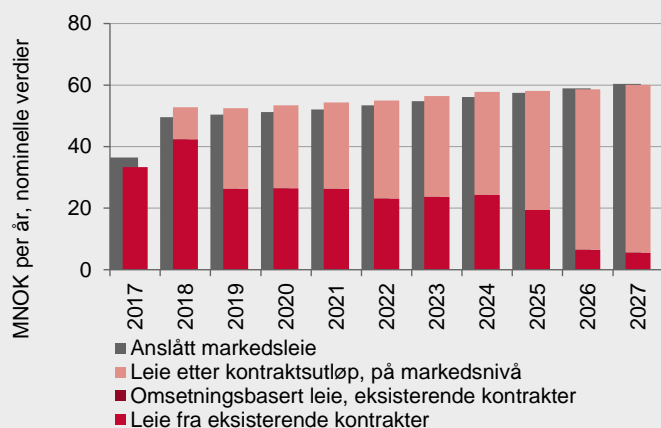
### Overordnet areal- og leiefordeling

Type areal	Areal m <sup>2</sup>			Leienivå NOK/m <sup>2</sup>		Leienivå MNOK		Leiefritak MNOK	Varighet	Varighet inkl. opsjon	KPI-reg. prosent
	Totalt	Utleid	Ledig	Kontrakt	Marked	Kontrakt	Marked		År	År	
Totalt	16 414	12 965	3 449	3 244	2 951	42,1	48,4	-0,4	5,7	5,7	100 %
Kontor	10 988	7 698	3 290	3 945	3 123	30,4	34,3	-0,4	4,1	4,1	100 %
Handel	4 458	4 458	-	2 326	2 829	10,4	12,6	-	10,4	10,4	100 %
Lager	881	722	159	1 643	1 500	1,2	1,3	-	6,7	6,7	
Parkering	-	-	-	-	-	-	-	-	-	-	
Annet	87	87	-	1 517	2 200	0,1	0,2	-	2,1	2,1	100 %

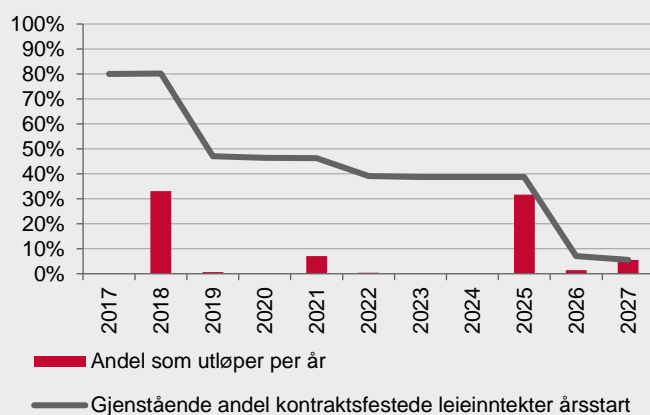
### Overordnet areal- og leiefordeling (handelsareal)

Type areal	Areal m <sup>2</sup>			Leienivå NOK/m <sup>2</sup>		Leienivå MNOK		Leiefritak MNOK	Varighet	Varighet inkl. opsjon	Merleie MNOK
	Totalt	Utleid	Ledig	Kontrakt	Marked	Kontrakt	Marked		År	År	
Totalt	4 458	4 458	-	2 326	2 829	10,4	12,6	-	10,4	10,4	-
Butikk	1 471	1 471	-	2 488	3 000	3,7	4,4	-	8,8	8,8	-
Restaurant	603	603	-	4 090	3 000	2,5	1,8	-	4,8	4,8	-
Dagligvare	-	-	-	-	-	-	-	-	-	-	-
Service	-	-	-	-	-	-	-	-	-	-	-
Øvrig handel	2 384	2 384	-	1 779	2 680	4,2	6,4	-	-	-	-

### Beregnete leieinntekter



### Utløpsprofil



### Eierkostnader og oppgraderingskostnader

	MNOK	NOK/m <sup>2</sup>	Andel av K.L. M.L.	
Forsikring	-	-		
Eiendomsskatt	0,4	23		
Festeavgift	-	-		
Øvrige eierkostnader	2,5	153		
Fradrag barehouse (jan.00)	-	-		
Sum eierkostnader	2,9	176	6,9%	6,0%
Oppgradering ved kontr.utløp	51,8	3 159		
Nåverdi oppgraderingskostnad	46,7	2 842		
Oppgr.kostn som årlig eierkost	1,9	118	4,6%	4,0%
Nødvendige investeringer	-	-		
Nåverdi investeringer	3,0	183		

### Definisjon av avkastningskrav

#### Verdivurdering

	mar. 17
10Y STAT	1,66 %
Swap spread	0,34 %
Inflasjon	-2,40 %
Bankmargin	1,40 %
Eiendom som investeringsobjekt	2,75 %
Prime realavkastningskrav	3,75 %
Makrobeliggenhet	0,00 %
Mikrobeliggenhet	0,00 %
Type eiendom	0,00 %
Byggets standard, inkl teknisk	0,00 %
Kontraktsforhold - kontrakt	0,25 %
Kontraktsforhold - kontraktsmotpart	0,50 %
Andre forhold	-0,35 %
Basispunkter over prime real avk.krav	0,40 %
Diskonteringsrente	4,15 %

# VERDIVURDERING

## Fondbygget (inkl. retailarealer)

31.03.2017

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Inflasjon	2,3 %	1,7 %	1,6 %	1,7 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %	2,5 %
Nominelt avkastningskrav	6,5 %	5,9 %	5,8 %	5,9 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %	6,8 %
Gjennomsnittlig avkastningskrav	6,5 %	6,2 %	6,1 %	6,1 %	6,2 %	6,3 %	6,4 %	6,4 %	6,4 %	6,4 %	6,5 %	6,5 %	6,5 %	6,5 %
Leieinntekter (ex overleie)	33,38	52,85	52,54	53,41	54,32	55,01	56,40	57,81	58,14	58,65	60,11	61,58	63,12	64,70
Kvartalsvise innbetalinger	33,04	52,05	51,74	52,60	53,49	54,18	55,54	56,93	57,25	57,76	59,20	60,65	62,16	63,72
Diskonteringsrate	1,00	1,05	1,11	1,18	1,25	1,33	1,42	1,52	1,62	1,73	1,84	1,97	2,10	2,24
Nåverdi inntekter	33,04	49,63	46,57	44,73	42,94	40,74	39,13	37,57	35,39	33,45	32,11	30,82	29,59	28,41
Eierkostnader	-2,19	-2,96	-3,01	-3,06	-3,11	-3,19	-3,27	-3,35	-3,43	-3,52	-3,60	-3,69	-3,79	-3,88
Kvartalsvise innbetalinger	-2,16	-2,91	-2,96	-3,01	-3,06	-3,14	-3,22	-3,30	-3,38	-3,46	-3,55	-3,64	-3,73	-3,82
Diskonteringsrate	1,00	1,05	1,11	1,18	1,25	1,33	1,42	1,52	1,62	1,73	1,84	1,97	2,10	2,24
Nåverdi eierkostnader	-2,16	-2,78	-2,67	-2,56	-2,46	-2,36	-2,27	-2,17	-2,09	-2,01	-1,93	-1,85	-1,77	-1,70
Leietakertilpasninger	-	-43,87	-	-	-0,45	-0,27	-	-	-4,66	-1,31	-3,75			
Diskonteringsrate	1,00	1,05	1,11	1,18	1,25	1,33	1,42	1,52	1,62	1,73	1,84			
Nåverdi leietakertilpasninger	-	-40,67	-	-	-0,35	-0,20	-	-	-2,77	-0,74	-1,92			

### Beregning av terminalverdi

	Sum	Inntekter	Kostnader
Exit år	2030	2030	2030
Kontantstrøm i exit år	59,9	63,7	-3,8
Exit Yield		4,15 %	4,15 %
Exit verdi i exit år	1 443,9	1 536,1	-92,1
Nominelt avkastningskrav		6,75 %	6,75 %
Antall år diskontering		13	13
Diskonteringsrate		2,24	2,24
Nåverdi av exit verdi	643,8	684,9	-41,1

### Verdiberegning

Nåverdi inntekter	495,7
Nåverdi eierkostnader	-29,1
Nåverdi leietakertilpasninger	-46,7
Nåverdi overleie	-
Exit verdi i exit år	643,8
Verdi	1 063,8
Nåverdi investeringer	-3,0
Verdi inkl. investeringer	1 060,8

### Reduksjonsfaktor for kvartalsvise innbet.

Antall perioder per år	4
Årlig realrente	4,15 %
Periodevis realrente	1,02 %
Kontraktsfaktor terminer	98,48 %
Realrente exit-år	4,15 %
Periodevis realrente	1,02 %
Kontraktsfaktor terminer, exit-år	98,48 %

### Forutsetninger

- Kontantstrømmene er basert på:
- Antakelser om at alle leiekontrakter fornyes til markedsleienivå
  - Leieinntekter betales forskuddsvis hvert kvartal
  - Stabile eierkostnader - dvs en snittbetraktning på vedlikeholdskostnader
  - Rehabiliteringskostnader som inntreffer ved fornyelse av leiekontrakter
- Metodikk:
- Årlige leieinntekter justeres med en reduksjonsfaktor for kvartalsvise innbetalinger
  - Eierkostnader og rehabiliteringskostnader justeres på liknende måte for

# VERDIVURDERING

## Fondbygget (inkl. retailarealer)

Denne rapporten/verdivurderingen ("Rapporten") er utformet av Akershus Eiendom AS ("AE") på oppdrag fra Norwegian Property ASA ("Oppdragsgiver"). Den er basert på (i) eiendomsspesifikk informasjon fremskaffet av Oppdragsgiver, (ii) AE's informasjonsdatabaser, (iii) ekstern statistikk og (iv) annen relevant informasjon som AE vurderer å være pålitelig.

Den eiendomsspesifikke informasjonen mottatt fra Oppdragsgiver inkluderer (men er ikke nødvendigvis begrenset til) informasjon om utleie, utviklingsplaner, investeringsplaner, reguleringsplaner og annen relevant informasjon om eiendommen(e). Følgende skriftlig informasjon er mottatt fra Oppdragsgiver:

Leietakerliste per 31.03.2017

AE har ikke foretatt noen verifikasjonsprosess relatert til informasjonen gitt av Oppdragsgiver og det forutsettes at denne informasjonen er korrekt. Videre er det ikke foretatt noen vurdering av teknisk tilstand av eventuelle bygninger oppført på eiendommen(e). Det er også antatt at det ikke foreligger noen informasjon, som vi ikke er blitt gjort kjent med, vedrørende eiendommens(es) tilstand, eksisterende eller potensielle heftelser, etc. som ville ha påvirket våre konklusjoner hvis vi hadde vært kjent med denne informasjonen.

AE's informasjonsdatabaser inkluderer data innsamlet over tid fra AE's utleie- og eiendomsmeglervirksomhet, fra våre samarbeidspartnere og fra generell kunnskap om leie- og investeringsmarkedet for næringseiendom. AE gir ikke noen garantier for at denne informasjonen er sann, presis eller fullstendig og den skal således ikke oppfattes som sådan. Selv om det er lagt mye arbeid i å sikre at denne informasjonen er presis og komplett kan ikke AE gi noen forsikring for at faktiske feil ikke kan ha oppstått i utarbeidelsen av denne Rapporten.

Uttrykte oppfatninger er oppfatninger fra ansatte i AE og reflekterer deres beste vurdering på tidspunktet for Rapporten, og disse oppfatningene er til enhver tid gjenstand for forandringer.

AE tar intet ansvar for skader eller tap som har oppstått som følge av mangel på presisjon eller feil i Rapporten. AE, AE's styre, AE's partnere eller AE's ansatte kan ikke gjøres ansvarlig i forhold til noen person for noe direkte, indirekte, spesifikke eller følgeskader som oppstår ut fra bruk av denne Rapporten og/eller informasjonen i denne Rapporten.

Denne Rapporten er utformet eksklusivt for Oppdragsgiver og er kun til bruk (i) internt hos Oppdragsgiver (inkludert datterselskap og eventuelle bankforbindelser) og (ii) for Oppdragsgivers eierne. Ingen del av denne Rapporten kan kopieres eller distribueres til noen annen person uten AE's skriftlige forhåndssamtykke.

Rapporten må anses som ufullstendig uten referanse til, og betraktet i sammenheng med, den muntlige gjennomgangen med Oppdragsgiver.

Rapporten har blitt utarbeidet og skal bli fortolket i henhold til norsk lov.