



FRN Klaveness Ship Holding AS Senior Unsecured Open Callable Bond Issue 2016/2021

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, listing document. The documents are available from the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

Relevant Places:

www.klaveness.com

Issuer/Borrower:

Klaveness Ship Holding AS

Borrowing Limit – Tap Issue:

NOK 500,000,000

First Tranche / Loan Amount : ²⁾

NOK 300,000,000

Disbursement Date: ³⁾

9 December 2016

Maturity Date: ⁴⁾

27 May 2021

NIBOR: ⁵⁾

3 months NIBOR

Margin:

5.25 % p.a.

Coupon Rate: ⁶⁾

NIBOR + margin

Day Count Fraction– Coupon:

Act/360

Date of interest adjustment: ^{7) 9)}

Interest Payment Date

Business Day Convention: ⁸⁾

Modified Following

Interest Payment Date: ⁹⁾

27 February, 27 May, 27 August and 27 November each year

Interest accrual date (from and including):

Disbursement Date

Final coupon date (to):

Maturity Date

days first term:

80 days

Status of the Loan ¹⁰⁾

The Bonds shall be senior debt of the Issuer. The bonds are unsecured.

Issue Price: ¹¹⁾

100.00 (par)

Denomination:

NOK 500,000. Minimum subscription and allotment amount shall be NOK 1,000,000.

Bondholder's put option: ¹²⁾

Redemption Date(s):	See "Special (distinct) conditions" Change of control event	Price:	101 %
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Issuer's call option: ¹³⁾

Redemption Date(s):	From 27 November 2020 to Maturity Date	Price:	101 %
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The Issuer may redeem the Bonds (all or nothing) on any Business Day from and including 27 November 2020 to, but not including, the Final Maturity Date at a price equal to 101 % of par value plus accrued but unpaid interest on the redeemed amount.

For further information about Call Option, please see the Bond Agreement clause 10.2.

Issuer's org. number:	988 306 428			
Number / Codes:	Sector Code : 2100	Geographic code: 0301	Industry (trade Code): 50201	
Usage of funds:	The net proceeds from the Bonds shall be used for refinancing of the Issuer's two existing bonds KSH01 PRO and KSH02 PRO and general corporate purposes.			
Approvals / Permissions:	<ul style="list-style-type: none"> • The bonds have been issued in accordance with the Issuer's board approval dated 28.11.2016 • The listing document has been inspected by Oslo Børs 			
Trustee / Bondholders' Representative:	Nordic Trustee ASA, P.O. Box 1470 Vika, NO-0116 Oslo, Norway			
Arranger(s):	Danske Bank Markets, Norwegian Branch, Bryggetorget 4, 0250 Oslo, Norway; DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, 0191 Oslo, Norway; Pareto Securities AS, Dronning Mauds gt.3, Pb 1411 Vika, 0115 Oslo, Norway.			
Paying Agent:	DNB Bank ASA			
Securities Depository:	The Norwegian Central Securities Depository (VPS). Principal and interest accrued will be credited the Bondholders through VPS.			
Market making:	No market-maker agreement has been made for this Issue.			
Special (distinct) conditions:	<p><i>Change of Control</i></p> <p>Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (Put Option) at a price of 101% of par plus accrued interest.</p> <p>For information about Change of control, please see the Bond Agreement clause 10.3</p> <p>For information about Covenants, Events of Default and Definitions, please see the Bond Agreement clause 13 Covenants, clause 15 Events and Default and clause 1.1 Definitions.</p>			
Supplementary information about the status of the loan:¹⁰⁾	<p>The Bonds shall constitute senior debt of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>			

Standard Terms: *If any discrepancy should occur between this Loan Description and the Loan Agreement, then the Loan Agreement will apply.*

Loan Agreement:¹⁾ The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement 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 Loan Agreement.

When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. If subscription is made prior to finalisation of the Loan Agreement, the subscriber is deemed to have granted authority to the Trustee to finalise the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.

Open / Close:³⁾⁴⁾ Tap Issues will be opened on Disbursement Date and closed no later than five banking days before Maturity Date.

Disbursement Date:³⁾ Payment of the First Tranche / Loan Amount takes place on the Disbursement Date. In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.

Expansions – Tap Issues:²⁾ For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount, before the initial Disbursement Date. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The

Issuer may apply for an increase of the Borrowing Limit.

Issue price – Tap Issues: ¹¹⁾	Any taps under the Tap Issue will be made at market prices.
Interest Determination Date: ⁷⁾	2 Business Days prior to Date of Interest Payment Date
Interest Determination: ⁶⁾⁷⁾	<p>The regulation of the Interest Rate is effective from each Interest Payment Date. The new interest rate is determined on Interest Determination Date based on NIBOR with additional margin.</p> <p>The new interest rate and the next interest term/period will be notified the Bondholders in writing through the Securities Depository. The Trustee and Nordic ABM shall also be notified immediately.</p>
NIBOR – definition: ⁵⁾	<p>(Norwegian Interbank Offered Rate) Interest rate fixed for a defined period on Oslo Børs' webpage at approximately 12.15 Oslo time. 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 Reference Rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo.</p> <p>NIBOR is calculated two Business Days prior to every Interest Determination Date, rounded to the nearest hundredth of a percentage point, for the Interest Period stated. NIBOR applies with effect from each Date of Interest Adjustment to the next Date of Interest Adjustment. If NA is specified, Reference Rate does not apply.</p>
Interest Period: ⁹⁾⁷⁾	The interest is paid in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date.
Accrued interest:	Accrued Interest for trades in the secondary bond market are calculated on the basis of current recommendations of Norsk Finansanalytikeres Forening.
Standard Business Day Convention: ⁸⁾	Modified Following: If the Interest Payment Date is not a banking day, the Interest Payment Date shall be postponed to the next banking day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first banking day preceding the original date.
Condition – Bondholder's put option: ¹²⁾	Exercise of Put shall be notified by the Bondholder to its Securities Register agent no later than the last Business Day before the end of the Put Period, and the settlement of the Put shall take place the fifth Business Day after the end of the Put Period.
Condition – Issuer's call option: ¹³⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least thirty Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account in the Securities Depository.
Issuer's acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan Amount has been sold by the Arranger(s). Later taps can be made by authorized securities brokers.

Legislation:

Disputes arising from or in connection with the Loan Agreement, which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee's competent legal venue.

Fees and expenses:

Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

Oslo, 13 December 2016



Klaveness Ship Holding AS



Danske Bank Markets
as Joint Lead Manager



MARKETS
DNB Markets
as Joint Lead Manager



Pareto Securities AS
as Joint Lead Manager