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To the bondholders in:

ISIN: NO 001070587.4 - **“FRN Klaveness Ship Holding AS Senior Unsecured Bond Issue 2014/2020”**

Oslo, 22 November 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA acts as trustee (the **“Bond Trustee”**) to the holders of the bonds (the **“Bondholders”**) in the abovementioned bond issue with ISIN NO 001070587.4 (the **“Bond Issue”** or **“KSH02 PRO Bond”** (the bonds under the Bond Issue hereinafter defined as the **“Bonds”**)), issued by Klaveness Ship Holding AS (the **“Issuer”** or the **“Company”**).

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 20 March 2014, made between the Bond Trustee and the Issuer (the **“Bond Agreement”**), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs of the Bond Agreement.

The information in this summons regarding the Issuer is provided by the Issuer unless explicitly stated otherwise, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1 BACKGROUND

The Company intends to reduce and refinance its aggregate outstanding debt in the bond market by proposing an early mandatory redemption of the KSH02 PRO Bond, as well as extending the debt maturity profile by issuing a contemplated new senior unsecured bond issue of NOK 300 million (the **“New Bond Issue”**) with maturity in 2021. Such early redemption will be funded by cash on the balance sheet as well as the New Bond Issue.

The Issuer is therefore summoning a bondholder's meeting (**“Bondholders' Meeting”**) to consider a proposal for a mandatory early redemption of all Bonds under the Bond Issue (the **“Conditional Mandatory Redemption”**). The Conditional Mandatory Redemption is subject to and shall become effective upon the successful completion and settlement of the New Bond Issue and on such further terms and conditions as set out below in section 2 (*The Proposal*).

2 THE PROPOSAL

In accordance with Clause 16.2 (*Procedural rules for Bondholders' meetings*) of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a Bondholders' Meeting in order to obtain the Bondholders' approval to the proposed amendments to the Bond Agreement as described below, pursuant to the authority given to the Bondholders' Meeting under Clause 16 (*Bondholders' Meeting*) of the Bond Agreement.

Based on the foregoing, the Issuer makes the following proposal (the **“Proposal”**):

- (i) The following amendment (the “**Amendment**”) is made to clause 10.1 (*Maturity*) of the Bond Agreement, as a new second paragraph (and where the term “New Bond Issue” shall have the meaning set forth above in this summons letter):

“Notwithstanding the foregoing obligation to repay and discharge any Bonds on the Maturity Date, the Issuer shall, subject to completion and full settlement of the New Bond Issue, redeem the Bonds in full at 101.54% of par value, plus accrued and unpaid interest (“**Conditional Mandatory Redemption**”), no later than 10 Business Days after the settlement date of the New Bond Issue. For the avoidance of doubt, if completion and the full settlement of the New Bond Issue does not occur within 31 December 2016, no mandatory redemption of Bonds shall be made under the Conditional Mandatory Redemption, and the Bonds shall mature in full on the Maturity Date at par (100%).”

- (ii) Upon approval of the Amendment by the Bondholders’ Meeting, the Amendment shall be deemed to form an integral part of the Bond Agreement without either of the Bond Trustee or the Issuer having to sign or execute any additional mutual documentation, subject only to the Issuer’s irrevocable written acceptance of the Amendment in a form and content acceptable to the Bond Trustee.

3 EVALUATION OF THE PROPOSED AMENDMENTS

3.1 The Issuer’s advisors

The Issuer has engaged Danske Bank Markets, Norwegian Branch, DNB Markets, a part of DNB Bank ASA and Pareto Securities AS as its financial advisors (the “**Advisors**”) with respect to the Proposal. Accordingly, Bondholders may contact the Advisors as set out below for further information:

- Danske Bank Markets, Fixed Income Sales at + 47 22 86 13 07
- DNB Markets Bond Syndicate Desk+ 47 24 16 93 54
- Pareto Securities AS Fixed Income Sales at +47 22 87 87 70

The Advisors are acting solely on behalf of the Issuer and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisors with respect to the Issuer and the Advisors expressly disclaim any and all liability whatsoever in connection with the Proposal (including but not limited to the information contained herein).

3.2 Support from the Bondholders

Prior to this summons letter being distributed, the Advisors have informed the Bond Trustee that a majority of the Bondholders representing more than 2/3 of the Voting Bonds has undertaken to vote in favour of the Proposal at the Bondholder Meeting.

3.3 The Bond Trustee's disclaimer/non-reliance

The request is presented to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. Each Bondholder should independently evaluate the Proposal and vote accordingly.

4 BONDHOLDERS' MEETING

To enable the Issuer to make the proposed change to the Bond Agreement, the Issuer has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the proposed changes.

Bondholders' meeting:

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 6 December 2016 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee ASA,
 Haakon VII's gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of proposal:

It is proposed that the Bondholders' Meeting resolve the following:

1. *The Bondholders approve the Proposal as described in section 2.*
2. *The Bondholders further authorise the Bond Trustee to enter into such agreements and documents, consent to such waivers and amendments, take any actions and do all such things on behalf of the Bondholders as may be necessary or desirable to support or give effect to the Proposal, including, without limitation, amending and/or waiving the terms of the Bond Agreement in order to issue the New Bond"*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the Voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' meeting. (If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Bonds, (ii) the aggregate nominal amount of the Bonds and (iii) the account number in VPS on which the Bonds are registered.)

The individual Bondholder may authorise Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Fredrik Lundberg