

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

To the bondholders in:

ISIN: NO0010713274 - Havyard Group ASA 14/20 - Senior Unsecured Bond Loan

Oslo, 11 March 2020

SUMMONS TO BONDHOLDERS' MEETING

1 INTRODUCTION

Nordic Trustee AS (the "**Bond Trustee**") is appointed as bond trustee for the bond issue with ISIN NO 0010713274 (the "**Bonds**") issued by Havyard Group ASA ("**Havyard**" or the "**Issuer**") pursuant to the terms of the bond agreement dated 11 June 2014 with respect to the Bonds, as amended by an Amendment Agreement No. 1 dated 30 June 2016, an Amendment Agreement No. 2 dated 30 March 2017, an Amendment Agreement No. 3 dated 27 December 2018 and an Amendment Agreement No. 4 dated 29 November 2019 (together the "**Bond Agreement**") between Havyard as the bond issuer and the Bond Trustee (on behalf of itself and the holders from time to time of the Bonds (the "**Bondholders**").

Capitalised terms used herein and not defined shall have the meaning assigned to such terms in the Bond Agreement.

The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

2 BACKGROUND

The Issuer has approached the Bondholders to discuss and approve certain amendments to the Bond Agreement.

Reference is made to the update on the financial situation dated 21 March 2019 and published as a stock exchange notice on Newsweb 22 March 2019 and further described in the 2018 Annual Report.

Further reference is made to the stock exchange notice of 2 July 2019, where the Company announced agreements with its senior lenders for amendments to existing bank facilities and commitments for construction loans for the next five newbuilding vessels. Subsequently, Bondholders approved similar covenant waivers and an amended maturity schedule as set out in Amendment Agreement no. 4 (as referred above).

Furthermore it is referred to the notices to Oslo Stock Exchange dated, 25 October 2019, 18 November 2019, 3 December 2019, 6 February 2020 and 11 February 2020, and the information about the financial situation of Havyard Ship Technology AS (wholly owned subsidiary of the Issuer) as set out therein.

Havyard Ship Technology AS has entered into a total of 12 shipbuilding contracts and Havyard has undertaken obligations in respect of refund and performance guarantees issued under the shipbuilding contracts. The total responsible of Havyard by such counter guarantees is substantial and has also a substantial impact on the evaluation of the balance sheet of the Issuer.

Together with Havyard Ship Technology AS, the Issuer is planning to transfer (novate) 6 of the shipbuilding contracts entered into by Havyard Ship Technology AS to New Havyard Ship Technology AS – also being indirectly a wholly owned subsidiary of the Issuer. The purpose of such transfer or novation of the shipbuilding contracts is to secure the fulfillment of the contractual obligations undertaken by Havyard Ship Technology AS, and thereby avoid refund obligations counter guaranteed by the Issuer.

The negotiations between Havyard Ship Technology AS, New Havyard Ship Technology AS and the respective contract parties (the “**HST Restructuring**”) have not yet been completed, but the Issuer expect that the negotiations will be completed within 1 – 4 weeks from the date of this summons. As soon as revised contracts have been agreed, and New Havyard Ship Technology AS has secured the construction financing of the vessels, the Issuer will be released totally or partly from the responsibilities under the counter guarantees issued by Havyard.

To the extent there are clarifications to the process as described above and new information becomes available, the Issuer will update the information provided under this section 2 (Background) of the Summons before the scheduled Bondholders’ Meeting as set out in Section 5 of the Summons.

Until the HST Restructuring has been completed, the potential financial impact on the Issuer from guarantee claims is uncertain. Similarly, the impacts on other group companies which are sub-contractors to Havyard Ship Technology AS remain unclear. Under the present financial situation the Issuer is by law obliged to treat unsecured debt equally, and the Issuer is therefore forced to seek an extension of the payment of installment under the Bonds to become due on the 13 March 2020 until the Maturity Date or such earlier date any installment under the DNB Loan (as defined below) becomes due. However, interest will be paid on the 13 March 2020 according to the terms and provisions of the Bond Agreement.

DNB as lender under a NOK 55 million loan to the Issuer (the “**DNB Loan**”) has accepted to defer a NOK 15 million instalment that was originally due in January 2020 until the 13 June 2020. It is a condition for the support of DNB in this respect, that payment of instalment under the Bond Agreement is being extended and not paid before payment of instalment under the DNB Loan can be settled.

As soon as the Issuer has completed the HST Restructuring, the Issuer will reevaluate the financial situation and propose a revised payment plan of the Bonds and likewise the DNB Loan.

Further – please note that until the evaluation of the outcome of the transfer of contracts as set out above has been carried out, all unsecured long term debt obtained by Havyard will be treated equally and consequently only served by payment of interest.

On this basis, the Issuer hereby seeks a waiver from the Bondholders with regard to the payment date for the quarterly instalment in the amount NOK 2,500,000 due on 13 March 2020, cf. Clause 10.3 of the Bond Agreement as amended by Amendment Agreement no. 2.

Please note that if the request to waive the payment date of the instalment due 13 March 2020 is not being supported by the Bondholders, then the Issuer will have to evaluate the financial situation of the Issuer, and required actions have to be considered.

The instalment due 13 March 2020 has been drawn by the Securities Depository (VPS) and aggregate Face Value of the Outstanding Bonds issued under ISIN NO0010713274 has been reduced to NOK 77,500,000 and the drawn Bonds with an aggregate Face Value of NOK 2,500,000 will be given a separate ISIN ("**Defaulted Instalment Bonds**"). There will be no voting right for the Defaulted Instalment Bonds in this or future Bondholders' Meetings. If the Proposal is not approved the Defaulted Instalment Bonds will accrue default interest as if it had been drawn for instalment.

Due to the financial situation of the Issuer and the Group, the Issuer will not until the HST Restructuring has been completed, be able to fulfil or comply with the financial covenants as set out in the Bond Agreement.

Further the Issuer will not be able to comply with the financial reporting as set out in Clause 13.2.1 of the Bond Agreement, and due to the financial situation in Havyard Ship Technology AS, neither the cross-default provisions as set out in Clause 15.1 (c) of the Bond Agreement.

Suspension of the financial covenants, and the financial reporting as set out in Clause 13.2.1 of the Bond Agreement is therefore required until the Maturity Date. Likewise a waiver of the cross-default provisions of Clause 15.1 (c) of the Bond Agreement is required until the completion of the HST Restructuring.

3 PROPOSAL

Pursuant to information as set out in Section 2 (Background), the Issuer proposes that the Bondholders adopt the following proposal (the "**Proposal**"):

The Bondholders approve that:

1. The payment date for the quarterly instalment in the amount NOK 2,500,000 due on 13 March 2020 is extended to 13 June 2020. For the avoidance of doubt, there will be calculated no default interest on the Defaulted Instalment Bonds from and including the due date to the payment date.
2. All and any financial covenants as set out in the Bond Agreement are suspended until 13 June 2020.
3. The Financial reporting as set out in Clause 13.2.1 (d) of the Bond Agreement is suspended until 13 June 2020.
4. The cross-default provision as set out in Clause 15.1 (c) of the Bond Agreement is waived in respect of Havyard Ship Technology AS until the earliest of (i) completion of the HST Restructuring or (ii) 13 June 2020.

4 FURTHER INFORMATION

The Issuer has engaged Fearnley Securities AS as the Issuer's financial advisor (the "**Advisor**") with respect to the Proposal. Accordingly, Bondholders may contact the Advisor or the Issuer using the details set out below for further information.

The Advisor is acting solely for the Issuer, and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisor with respect to the Issuer and the Advisor

expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to the information contained herein).

For more detailed information, please contact:

The Issuer

CEO Gunnar Larsen
Havyard Group ASA
Gunnar.Larsen@havyard.com
+47 901 05 694

Fearnley Securities AS

Att: Investment Banking DCM
+47 22 93 63 77
ibd.dcm@fearnleys.no

Nordic Trustee AS

Lars Erik Lærum
+47 22 87 94 06
laerum@nordictrustee.no

This summons is for information purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security. No recommendation is being made as to whether holders of the Bonds should consent to the Proposal. The solicitation of consents is not being made in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such solicitation under applicable securities or "blue sky" laws.

5 BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: 25 March 2020 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee AS,
Kronprinsesse Märthas plass 1, 0160 Oslo, 7th 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:

"The Bondholders' Meeting approves the Proposal as described in section 3 of the summons to this Bondholders' Meeting.

The Bond Trustee is hereby authorized to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Proposal, including without limitation to prepare, finalize and enter into the necessary amendment agreements and other documentation deemed appropriate and take such further actions which are necessary to execute the Proposal."

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of the resolution. In order to have a quorum, at least 50% of the Voting Bonds must be represented at the Bondholders' 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 the 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 to mail@nordictrustee.com, +47 22 87 94 10, or Nordic Trustee AS, PO Box 1470 Vika, 0116 Oslo, Norway).

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 within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

Nordic Trustee AS



Lars Erik Lærum

Enclosed: Bondholder's Form