

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, 26 May 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, an Amendment Agreement No. 4 dated 29 November 2019 and an Amendment No. 5 dated 30 March 2020 (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 Summons to Bondholders' Meeting dated 11 March 2020 and subsequent Bondholders's Meeting held the 25 March 2020 which approved waivers of certain covenants and a deferral of the scheduled March instalment under the Bonds until the Maturity Date.

Further reference is made to the stock exchange notice of 4 May 2020 where the company announced the completion of the transfer of 6 shipbuilding contracts, entered into by Havyard Ship Technology AS ("HST"), to New Havyard Ship Technology AS ("NHST"). As a result of these agreements, Havyard Group ASA has managed to find satisfactory solutions for all vessels ordered at Havyard Ship Technology AS, and this production program is fully financed. The shipyard business in Havyard Group ASA will be continued in New Havyard Ship Technology AS, and the group's further efforts in shipbuilding will be continued by this company.

As of 18 November 2019, when Havyard announced cost overruns and suspension of payments at Havyard Ship Technology AS, HST had entered into a total of 12 shipbuilding contracts for which Havyard Group ASA had undertaken obligations in respect of refund and performance guarantees. The total responsible of Havyard Group ASA by such counter guarantees was substantial and would have a substantial impact on the evaluation of the balance sheet of the Issuer.

By transfer of the last 6 vessels to NHST on revised terms in addition to previously announced agreements on 3 December 2019 and 23 March 2020, the refund obligations counter guaranteed by the Issuer have been substantially reduced.

The final negotiation and approvals of the agreements announced on 4 May 2020 have been more time consuming than anticipated. Furthermore, as a result of the extraordinary pressure on internal financial resources, the Issuer has rescheduled its Annual Report for 2019 to 10 June 2020. In order to allow more time to sufficiently evaluate the financial situation and the future strategy of the Issuer and thereby the premises for reaching an agreement for a revised payment plan of the Bonds, the Issuer has discussed with an ad-hoc group of Bondholders to extend the Maturity Date of the Bonds from 13 June 2020 to 13 September 2020.

The Issuer has agreed with the ad-hoc group that in addition to payment of interest according to the Bond Agreement due on 15 June 2020, payment of interest for the period 15 June 2020 - 14 September 2020 will be pre-paid as soon as practically possible following a positive vote at the Bondholders's Meeting, but under such conditions no later than 17 June 2020.

The implementation of the Proposal below shall be conditional upon reaching a similar agreement with DNB as lender under a NOK 55 million loan to the Issuer (the "**DNB Loan**") for the deferral of an instalment of NOK 15 million that was originally due in January 2020 and previously deferred to 13 June 2020. The Issuer is in good dialog with DNB concerning the matter, and expect to have the support of the bank as requested within the scheduled Bondholders' Meeting.

### 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 Maturity Date of the Bonds is amended from 13 June 2020 to 13 September 2020. Any adjustment will be made according to the Business Day Convention.
2. The amendment of the Maturity Date as set out under item 1 in the Proposal, shall not be considered as a default of the Bond Agreement.
3. Accrued interest under the Bonds will be paid on the 15 June 2020 according to the terms and provisions of the Bond Agreement.

In addition, interest for the period 15 June 2020 - 13 September 2020 will be pre-paid as soon as practically possible following a positive vote at the Bondholders's Meeting, but under such conditions no later than 17 June 2020.

4. All and any financial covenants as set out in the Bond Agreement are suspended until 13 September 2020.

5. The Interim Accounts for the financial quarters ending until and including 30 June 2020 as set out in Clause 13.2.1 (d) of the Bond Agreement is suspended until 13 September 2020.
6. 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 13 September 2020.
7. The Issuer and the Bond Trustee shall have the option to convert the Bonds issued under ISIN NO0010877343 into NO0010713274 at par.
8. The Bond Agreement shall include a new clause 16.5 Written Resolutions based on Bond Trustee's standard bond terms for corporate high yield bonds.

## 4 BONDHOLDER SUPPORT

The Issuer has notified the Bond Trustee that it has received support to the Proposal from Bondholders representing an aggregate of 39 per cent of the Outstanding Bonds.

## 5 FURTHER INFORMATION

The Issuer has engaged Fearnley Securities 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**

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### **Fearnley Securities AS**

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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.

## 6 BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

**Time: 10 June 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](mailto: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