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To the bondholders in:

**ISIN NO 001 065717.4      FRN Havila Shipping ASA Senior Unsecured Bond Issue (“HAVI08”)**

**Oslo, 10 November 2016**

## **SUMMONS TO BONDHOLDERS' MEETING**

Nordic Trustee ASA (the “**Bond Trustee**”) acts as trustee for the bondholders (the “**Bondholders**”) in the above mentioned bond issue (the “**Bonds**” or the “**Bond Issue**”) issued by Havila Shipping ASA as issuer (the “**Company**” or the “**Issuer**”).

All capitalised terms used herein shall have the meaning assigned to them in the bond agreement dated 27 August 2012 for HAVI08 (the “**Bond Agreement**”), unless otherwise stated.

*The information in this summons and the Proposal (as defined below) is provided by the Bondholders requesting this summons, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

### **1 Background**

Reference is made to the stock exchange release issued by the Issuer on 17 February 2016 and the ongoing negotiations with the Issuer’s financial creditors. Bondholders representing at least 1/10 of the Outstanding Bonds (the “**Bondholder Group**”) have, according to clause 16.2.1 (b) of the Bond Agreement, requested a Bondholders’ Meeting to be summoned to put forward the Proposal (as defined below).

The Bondholder Group has informed the Bond Trustee that several refinancing proposals have been put forward but that no proposal has yet received sufficient support. The Bondholder Group has informed the Bond Trustee that Bondholders representing in excess of 1/3 of the bonds have confirmed that they will not vote in favour of the proposal issued by the Company on 9 November 2016.

### **2 Full conversion of unsecured debt to equity subject to agreement with secured lenders**

The Bondholder Group proposes that NOK 500 million HAVI08 bonds and NOK 450 million in unsecured bank debt, plus accrued interest (the “**Unsecured Debt**”), will be converted to equity.

The debt to equity conversion will be subject to an agreement with the secured lenders where the key terms shall be included in a new summons to a Bondholders’ Meeting within 1 December 2016 and be subject to final approval by the Bondholders’ Meeting. Even if the Bondholder Group is not supportive towards part of the Company’s proposal directed towards Unsecured Debt, the Bondholder Group is supportive towards an agreement with the secured lenders principally in line with the undertakings from secured lenders as described in the notice issued by the Company 9 November 2016 and the restructuring term sheet attached to the summons issued by the Company as of the same date.

The Bondholder Group is positive towards new equity from existing shareholders, but do not consider that implementation of the restructuring should be conditional upon subscription of new equity. To the extent that subscription of new equity is not achievable, the Bondholder Group considers that the majority shareholder would be required to vote in favour of a restructuring in order to ascertain that the primary interests of the Company and its creditors are protected (see section 3, paragraph 3 below).

### **3 Partial conversion of unsecured debt**

If no agreement with secured lenders is reached and presented by way of a new summons to a Bondholders' Meeting within 1 December 2016, the Bondholder Group proposes that the Bondholders' Meeting resolves conversion of NOK 40 million of Unsecured Debt to equity at a conversion price equal to the nominal value of the shares, which will enable Unsecured Debt to retain control over in excess of 2/3 of the shares in the Company.

The conversion will be based on a pro-rata conversion of Unsecured Debt, subject to approval by unsecured banks holding appr. NOK 450 million of the Unsecured Debt. To the extent that such approval is not obtained from the unsecured banks, the conversion will be based on a pro-rata conversion of HAVI08 bonds.

The Bondholder Group considers that the board of directors' primary responsibility in the current situation should be to protect the interest of all creditors, and the board of directors should refrain from pursuing any contingency plan with secured lenders that may deprive the unsecured creditors from recovery/optionality. Partial conversion of Unsecured Debt to equity will enable unsecured creditors to take control over the Company, safeguard creditors' interests, and thereby secure the further existence of the Company. Based on the Company's interest and to prevent further possible losses for creditors, the Bondholder Group considers that the board of directors will have an obligation to present such partial conversion to the Company's shareholders as an alternative to bankruptcy filing (or contingency plans that will deprive unsecured creditors from recovery/optionality) and that the majority shareholder will be required to vote in favour of such proposal, in order to ascertain that the primary interests of the Company and its creditors are protected.

### **4 Proposal – contingency plan**

The Bondholder Group proposes that the Bondholders' Meeting resolve to instruct the Bond Trustee (the "Proposal"):

- (a) to seek a voluntary solution involving full conversion of Unsecured Debt to equity with secured lenders to be presented by way of a new summons within 1 December 2016 as described in section 2 above;
- (b) if no agreement is reached with secured lenders and presented by way of a new summons within 1 December 2016, to pursue partial conversion of Unsecured Debt to equity as described in section 3 above; and
- (c) to change clause 16.2.4 of the Bond Agreement, whereby summons to the Bondholders Meeting shall be dispatched no later than ten (10) Business Days prior to the Bondholders' Meeting, to no later than five (5) Business Days.

### **5 Evaluation and further information**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee or any advisors. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

This summons has been prepared in cooperation with the Bond Trustee's advisors. For comments to the ongoing restructuring negotiations, please contact Geir Gustavsson at [ggu@bahr.no](mailto:ggu@bahr.no) or +47 22 01 67 19, or Peter Bugge Hjorth at [pch@bahr.no](mailto:pch@bahr.no) or +47 22 01 66 55, at Advokatfirmaet BA-HR DA (legal advisors of the Bond Trustee).

For further questions to the Bond Trustee, please contact Lars Erik Lærum at mail@nordictrustee.com or + 47 22 87 94 00.

## **6 Summons for Bondholders' Meeting**

The Bondholders are hereby summoned to a Bondholders' Meeting:

**Time:** 24 November 2016 at 13:00 hours (Oslo time),

**Place:** The premises of Nordic Trustee ASA,  
Haakon VII's gt 1, 0161 Oslo - 6<sup>th</sup> 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. Approval of the Proposal

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

*"The Bondholders' Meeting approves the Proposal as described in section 4 (Proposal – contingency plan) of the summons to this Bondholders' Meeting".*

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 Proposal. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting.

If the Proposal is not adopted, the actions contemplated by the Proposal will not be effected.

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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 Bond 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 ASA to vote, must then be returned to the Bond 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 the Bond Trustee, to notify the Bond Trustee by telephone or by email within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Kind regards

**Nordic Trustee ASA**

Lars Erik Lærum

Enclosed: Bondholder's Form