

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

To the bondholders in:

**ISIN: NO 0010805872 - MPC Container Ships Invest B.V. FRN Senior Secured
USD 200,000,000 bonds 2017/2022**

Oslo, 2 July 2020

Important notice: Due to the outbreak of the corona virus Covid-19 bondholders are encouraged to abstain from appearing in person at the bondholder meeting, and instead to participate by proxy as described below. The Issuer may be prevented from arranging the meeting as a physical meeting. Bondholders should note that additional information on proceedings of the meeting may be given on short notice and announced on the Issuer's profile on www.stamdata.no and the Issuer's website.

Addendum to summons to Bondholders' Meeting dated 19 June 2020 (the "Initial Summons")

Nordic Trustee AS (the "**Bond Trustee**") is the appointed bond trustee for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO 0010805872 (the "**Bonds**" or the "**Bond Issue**") issued by MPC Container Ships Invest B.V. as issuer (the "**Issuer**").

All capitalized terms used but not defined herein shall have the meaning assigned to them in the bond terms for the Bond Issue made between the Bond Trustee (on behalf of the Bondholders) and the Issuer on 20 September 2017 (as amended from time to time, the "**Bond Terms**"), or where relevant, in the Initial Summons. References to clauses and paragraphs are references to clauses and paragraphs in the Bond Terms.

The information in this addendum to the Initial Summons and its appendices regarding the Issuer and the conditions in the markets where the Issuer operates have been provided by the Issuer. The Bond Trustee expressly disclaims any liability whatsoever related to such information. Bondholders are encouraged to read this letter and the Initial Summons in its entirety.

1. Background

On 19 June 2020, at the request of the Issuer, the Bond Trustee issued the Initial Summons to a Bondholders Meeting in the Bond Issue to be held on Friday, 3 July 2020 at 13:00 hrs (CET) at the premises of the Bond Trustee (the "**Bondholders' Meeting**").

Following further discussions between the Issuer, the Advisors and certain Bondholders, the Issuer has requested the Bond Trustee to amend and restate the Proposal in Section 2 (*Proposal*) of the Initial Summons. The amended and restated Proposal, which to the extent revised is in all respect to the benefit of the Bondholders compared to the initial proposal as set out in the Initial Summons, constitutes the Proposal which the Bondholders are invited to approve at the Bondholders' Meeting. As the proposed amendments constitute improvements of terms for the Bondholders, it is deemed acceptable to maintain the time and date of the Bondholders' Meeting, and not necessary to issue a new summons for a meeting to be held at a later date.

The amendments reflect that:

- (a) the Initial Cash Equity to be injected into the Parent shall increase from minimum USD 15,000,000 to minimum USD 27,500,000, and there shall be no requirement to transfer any proceeds from a repair issue to the Issuer,
- (b) the Initial Cash Equity to be injected into the Issuer shall increase from USD 12,000,000 to USD 20,000,000,
- (c) as a consequence of increasing the Initial Cash Equity into the Issuer with USD 8,000,000 to a total of USD 20,000,000, the Available Amount (of which the Issuer is permitted to PIK Interest and/or release proceeds from a Permitted Disposal/Total Loss from the Disposal Account) will be set to USD 12,000,000 (i.e. removing the optionality in the original proposal of injecting up to an additional USD 5,000,000 in equity against a further USD 5,000,000 in permitted PIK Interest and/or release proceeds from a Permitted Disposal/Total Loss from the Disposal Account),
- (d) the Issuers' right to pay interest on the Bonds by way of PIK Interest, as set out in the original proposal, shall be further limited to a payment of PIK Interest on 2/3 of the Bonds (applied pro rata through the CSD) on each relevant Interest Payment Date,
- (e) the redemption price at the Maturity Date and the call premium for the last three months shall be further increased by one percentage point to 104 per cent of the Nominal Amount, and
- (f) the Minimum Liquidity covenant will only be reduced to USD 7,500,000 until 30 June 2021 (against original proposal of USD 5,000,000 for the same period), and
- (g) additional quarterly cash reporting requirements for the Parents' wholly-owned subsidiaries (i) MPCC First Financing GmbH & Co. KG and (ii) MPCC Second Financing GmbH & Co. KG.

2. Amended and Restated Proposal

The Issuer proposes that the Bond Terms, where relevant, are amended as follows (the “**Proposal**”):

- (a) **Initial Cash Equity**: An initial gross cash contribution of minimum USD 27,500,000 (or NOK equivalent thereof) (in the form of equity, convertible loan, other subordinated capital or a combination thereof) shall be injected into the Parent, of which USD 20,000,000 (or NOK equivalent thereof) shall be further injected into the Issuer as equity (as conditions for the Effective Date, as defined below). The condition set out in paragraph (b) of section 3 (*Conditions*) of the Initial Summons shall be considered amended accordingly.
- (b) **Extension of the Maturity Date**: The Maturity Date for the Bonds is extended from 22 September 2022 to 22 March 2023 (the “**New Maturity Date**”).
- (c) **Margin (increase)**: The Margin shall from the Interest Payment Date in September 2022 to the New Maturity Date be increased to 6.25 per cent.
- (d) **Liquidity remedy**: The Issuer is permitted to strengthen its liquidity situation (up to the Available Amount as defined below) by the right to PIK Interest and to release proceeds from a Permitted Disposal/Total Loss from the Disposal Account. The Issuer:
 - (i) may in the period from (and including) the Interest Payment Date in September 2020 to (and including) the Interest Payment Date in June 2021, on one or more of the relevant Interest Payment Date(s) make interest payments in kind (“**PIK Interest**”) by way of issuance of new additional Bonds at the Nominal Amount (“**PIK Bonds**”). The calculation of accrued interest on the part of the interest paid as PIK Interest shall be made at an increased Margin of 575 bps; and/or
 - (ii) may release proceeds from a Permitted Disposal, executed after the Effective Date, from the Disposal Account for application towards working capital purposes within the Issuer Group,

provided, that for the purpose of sections (i) and (ii) above the applicable amount (the “**Available Amount**”) which can either be applied as PIK Interest payment pursuant to section (i) above and/or be released from the Disposal Account pursuant to section (ii) above, shall in aggregate be limited to USD 12,000,000, and

provided further that for the purpose of section (i) above, the maximum aggregate PIK Interest shall not exceed 50% of the Available Amount.

- (e) **Amended redemption price at the New Maturity Date (increase)**: The redemption price for the Outstanding Bonds at the New Maturity Date shall be equal to 104% at the New Maturity Date.
- (f) **Minimum Liquidity covenant (reduction)**: The Minimum Liquidity requirement is reduced (i) to USD 7,500,000 to (but excluding) 31 December 2021 and (ii) for any period thereafter, to the USD equivalent of 5% of the total Financial Indebtedness of the Issuer Group (excluding Group Loans).
- (g) **Vessel LTV Ratio covenant (waiver)**: The 75% Vessel LTV Ratio requirement is suspended (waived) to (but excluding) 31 December 2021.
- (h) **Equity Ratio covenant of the Group (waiver and reduction)**: The Equity Ratio requirement is (i) suspended to (but excluding) 31 March 2021, (ii) reintroduced at 20.0% for the period commencing on 31 March 2021 to (but excluding) 31 December 2021 and (iii) reinstated at 40.0% for any period thereafter.
- (i) **Distributions**: The Issuer shall not, and shall ensure that no other Issuer Group Company will, make any Distributions during the term of the Bonds, other than Permitted Distributions (as defined in the Amendment Agreement (as defined below)).
- (j) **Call options (increase)**: The terms of the existing Call Option in Clause 10.2 (*Voluntary early redemption*) of the Bond Terms shall apply until (but excluding) the Interest Payment Date falling 42 months after the Issue Date. Thereafter, at an increased price, the Issuer may redeem all or parts of the Outstanding Bonds together with accrued interest thereon on any Business Day, as follows:
 - (i) from (but excluding) the Interest Payment Date in March 2021 to (but excluding) the Interest Payment Date in September 2022 at a price equal to 102% of the Nominal Amount for each redeemed Bond; and
 - (ii) from (and including) the Interest Payment Date in September 2022 to (but excluding) the Interest Payment Date in December 2022 at a price equal to 103% of the Nominal Amount for each redeemed Bond; and
 - (iii) from (and including) the Interest Payment Date in December 2022 to (but excluding) the New Maturity Date at a price equal to 104% of the Nominal Amount for each redeemed Bond.
- (k) **Change of Control**: The purchase price to be applied for the Issuer's purchase of the Bonds in the event of a Put Option Event shall be increased from 101.00% to the Call Option redemption price at the time the Put Option Event occurred.
- (l) **Minority shareholding of the Vessel Owning Companies**: The current Bond Terms permit up to 0.1% in each Vessel Owning Company to be owned by the ship manager of the Vessels. This shall be amended in order to permit a split of such minority shareholding between different approved ship managers to the extent this would be required or beneficial for the Vessels’

compliance with applicable tonnage tax provisions and authorise the Bond Trustee to enter into necessary amendments of the security documents in connection therewith.

- (m) **Additional quarterly reporting requirements:** Additional quarterly cash reporting requirements for the Parents' wholly-owned subsidiaries (i) MPCC First Financing GmbH & Co. KG and (ii) MPCC Second Financing GmbH & Co. KG.

The amendments to the Bond Terms proposed in (a) – (m) above shall, together with the amendments and adjustments to the Bond Terms necessary to implement the Proposal, be incorporated in the Bond Terms in the form set out in Appendix 1 through an amendment agreement (the “**Amendment Agreement**”).

By adopting the Proposal set forth to the Bondholders in this summons the Bondholders approve to waive any Event of Default which has occurred, but which would not have occurred if the Proposal had become effective prior to the occurrence of such Event of Default.

Yours sincerely
Nordic Trustee AS

Olav Slagsvold

Enclosed:
Appendix 1: Amendments to the Bond Terms

Appendix 1

Amendments to the Bond Terms

By accepting the Proposal, the Bondholders accept and instruct the Bond Trustee to enter into an amendment agreement to the Bond Terms including the following amended terms:

- (a) The defined term “Ahrenkiel Ownership Interest” is amended and replaced to read as follows:

*“**Vessel Manager Ownership Interest**” means an ownership interest of no more than 0.1 per cent, held by (i) Ahrenkiel Steamship GmbH & Co. KG or its Subsidiaries and/or (ii) any other Vessel Manager.”*

- (b) The defined term “Bonds” is amended to read as follows:

*“**Bonds**” means the debt instruments issued by the Issuer pursuant to these Bond Terms, including (for the avoidance of doubt) (i) any Additional Bonds and (ii) any additional Bonds issued pursuant to paragraph (b) of Clause 9.2 (Payment of interest).”*

- (c) The defined term “Maturity Date” is amended to read as follows:

*“**Maturity Date**” means 22 March 2023.”*

- (d) The defined term “Margin” is amended to read as follows:

*“**Margin**” means from and including:*

- (a) the Issue Date to and including the Interest Payment Date in September 2022, 4.75 per cent, and for any Interest Period where interest is paid by issuance of additional Bonds pursuant to paragraph (b) of Clause 9.2 (Payment of interest) and for such part of the relevant interest payment made in kind only, 5.75 per cent;*
- (b) the Interest Payment Date in September 2022 to the Maturity Date, 6.25 per cent.”*

- (e) The defined term “Permitted Distribution” is amended to read as follows:

*“**Permitted Distribution**” means:*

- (a) a Distribution by an Issuer Group Company, if such Distribution is made by one Issuer Group Company to another Issuer Group Company; and*
- (b) a Distribution by an Issuer Group Company pro rata to the minority shareholders (owning up to 0.1 per cent) of the Vessel Owning Companies.”*

- (f) The following definitions shall be added to the definitions under Clause 1.1 (Definitions) and read as follows:

*“**Available Amount**” means the Total PIK/Release Amount minus the aggregate amount for the time being of:*

- (a) any PIK Interest already paid or due to be paid according to a written notice from the Issuer to the Bond Trustee in accordance with paragraph*
- (b) of Clause 9.2 (Payment of interest); and*

(b) the amount of any withdrawals from the Disposal Account in accordance with paragraph (b) of Clause 13.1 (g) (Disposal)."

““Effective Date” shall have the meaning ascribed to such term in the Amendment Agreement no. [2] to these Bond Terms dated [] 2020 and entered into between the Issuer and the Bond Trustee.”

““PIK Interest” shall have the meaning assigned to it in Clause 9.2.”

““Total PIK/Release Amount” means USD 12,000,000.

(g) Clause 9.2 (*Payment of interest*) is amended to read as follows:

“9.2 Payment of interest

(a) Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

(b) The Issuer may on each Interest Payment Date in respect of the period from (and including) the Interest Payment Date in September 2020 to (and including) the Interest Payment Date in June 2021, and subject to giving the Bond Trustee written notice no later than 10 Business Days prior to the relevant Interest Payment Date, elect to settle a part of the interest payment as payment-in-kind interest (“PIK Interest”) by issuance and delivery of additional Bonds at the Nominal Amount corresponding to the relevant part of the interest payable on such Interest Payments Date, provided:

(i) that the interest payment on no less than 1/3 of the Bonds (distributed pro-rata in accordance with the procedures of the CSD) shall, on each relevant Interest Payment Date, be made in cash; and

(ii) that the aggregate amount of PIK Interest pursuant to this paragraph (b) shall not exceed 50 per cent of the Total PIK/Release Amount.

Any such additional Bonds will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms.

(h) Clause 10.1 (*Redemption of Bonds*) shall be amended to read as follows:

“10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 104 per cent. of the Nominal Amount.”

(i) Clause 10.2 (*Voluntary early redemption - Call Option*) paragraph (a) shall be amended to read as follows:

“(a) The Issuer may redeem all or part of the Outstanding Bonds (the “Call Option”) on any Business Day with settlement from (and including):

(i) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.25% of the Nominal Amount for each redeemed Bond;

- (ii) *the Interest Payment Date falling 36 months after the Issue Date to, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.50% of the Nominal Amount for each redeemed Bond;*
- (iii) *the Interest Payment Date falling 42 months after the Issue Date to, but not including, the Interest Payment Date falling 60 months after the Issue Date at a price equal to 102.00% of the Nominal Amount for each redeemed Bond;*
- (iv) *the Interest Payment Date falling 60 months after the Issue Date to, but not including, the Interest Payment Date in December 2022 at a price equal to 103.00% of the Nominal Amount for each redeemed Bond; and*
- (v) *the Interest Payment Date in December 2022 to, but not including the Maturity Date at a price equal to 104.00% of the Nominal Amount for each redeemed Bond.*

(j) Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) paragraph (a) shall be amended to read as follows:

*“(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to the Call Option redemption price at the time the Put Option Event occurred.”*

(k) Paragraph (g) (*Disposal*) of Clause 13.1 (*Issuer undertakings*) is amended to read as follows:

“(g) Disposals

(a) The Issuer shall not, and shall ensure that no other Issuer Group Company will, sell or dispose of any shares of any Vessel Owning Companies, the Vessels, or any assets that are pledged as Security for the Bond Issue, except for any disposals carried out as a Permitted Disposal, in which case, the funds paid into the Disposal Account shall remain pledged and blocked until they are employed (no later than 12 months thereafter following the relevant Permitted Disposal) as follows:

(i) towards Mandatory Prepayment (subject to a no less than 5 Business Days prior written notice to the Bondholders); or

(ii) towards financing (in whole or in part) of the acquisition of any replacement assets satisfying the conditions as set out under the definition of Additional Vessels paragraphs (i)-(ii) and acquired at Market Value either externally or from another Group Company not being part of the Issuer Group and over which new Security shall be granted,

after which any remaining funds on the Disposal Account if less than USD 1,000,000 may be released to the Issuer Group.

(b) Notwithstanding paragraph (a) above, provided no Event of Default has occurred and is continuing, the Issuer is permitted to withdraw from the Disposal Account (for application towards general corporate purposes of the Issuer Group) any amount paid into the Disposal Account following a sale of any Vessels, in a maximum total amount up to the Available Amount.”

(c) The above provisions apply mutatis mutandis in case of a Total Loss.

(l) Clause 12.1 (*Financial Reports*) a new paragraph shall be added as follows:

“(b) *The Parent shall ensure that MPCC First Financing GmbH & Co. KG and MPCC Second Financing GmbH & Co. KG shall, without being requested to do so, prepare and deliver reporting of its cash position and make them available on its website (alternatively by arranging for publication on Stamdata) on each Reporting Date.*”

(m) Clause 13.3 (*Financial covenants*) is amended to read as follows:

“(a) *The Issuer shall, at all times, comply with the following:*

(i) *from (and including) 31 December 2021, the Vessel LTV Ratio shall not exceed 75.0%; and*

(ii) *Liquidity, on a consolidated basis for the Issuer Group (the “**Minimum Liquidity**”) shall be equal to or exceed (a) USD 7,500,000 to (but excluding) 31 December 2021, and (b) for any period thereafter, the USD equivalent of 5.0% of the total Financial Indebtedness of the Issuer Group (excluding Group Loans).*

(b) *Equity Ratio of the Group shall at all times be higher than (a) 20% for the period commencing on 31 March 2021 to (but excluding) 31 December 2021, and (c) 40% for any period thereafter (the “**Minimum Equity Ratio**”).*

The Issuer shall comply (or procure the compliance) with these Financial Covenants at all times, and:

(c) *the Minimum Liquidity and Minimum Equity Ratio shall be reported by the Issuer and the Parent (as relevant) on each Quarter Date supported by a Compliance Certificate to be delivered to the Bond Trustee in connection with each quarterly financial statement on the respective Reporting Dates; and*

(d) *the Vessel LTV Ratio shall be reported by the Issuer semi-annually on the relevant Calculation Date, and certified by the Issuer in a compliance certificate to be delivered to the Bond Trustee no later than 30 days after the relevant Calculation Date.”*