

TERM SHEET

ISIN: [●]

Norwegian Energy Company ASA Subordinated Convertible Bond Issue 2018/2026 (the “Bonds” or the “Bond Issue”)

Issuer:	Norwegian Energy Company ASA
Group:	The Issuer and all its subsidiaries from time to time (each a “ Group Company ”)
Type:	Subordinated unsecured convertible bonds convertible into new Shares (as defined below) of the Issuer to be registered in the VPS.
Status of the Bonds:	<p>The Bonds shall be subordinated to the existing and future unsubordinated financial indebtedness of the Borrower however shall rank ahead of equity and pari passu with any other subordinated debt.</p> <p>The Bonds shall be subject to the Intercreditor Agreement.</p>
Intercreditor Agreement:	The Bond Trustee shall be authorised on behalf of the Bondholders to enter into an intercreditor agreement with the [RBL Lenders] based on the Intercreditor Principles set out in Schedule 2 hereto.
Purpose:	The net proceeds of the Bonds shall be used to (i) finance an acquisition of Shell Olie- og Gasudvinding Danmark B.V. by a Group Company (the “ Acquisition ”), (ii) refinance an advance of USD 35,000,000 (plus accrued, but unpaid interest) (the “ Deposit Loan ”) made by certain investors to the Issuer to finance the Issuer's down-payment and deposit in connection with signing of the share purchase agreement in relation to the Acquisition, (iii) to repay the bond issue with ticker NOR10 (including accrued but unpaid interest and call premium) and (iv) for general corporate purposes.
Issue Amount:	Up to USD 160 million
Issue price:	100.00% (par value)
Settlement Date:	Expected to be [●]
Maturity Date:	8 years after Settlement Date at price 100.00%.
Coupon rate:	<p>During the Conversion Period (as defined below):</p> <p>Payment in kind (PIK) interest with additional Bonds [or increase of Nominal Amount] at a fixed rate of 8% p.a. with semi-annual interest payments (the “PIK Interest Payments”).</p> <p>The Issuer may elect to, on any given Interest Payment Date (as</p>

	<p>defined below), to pay cash interest of [6]% p.a. instead of a PIK Interest Payment.</p> <p>After expiry of the Conversion Period (for any Bonds then outstanding):</p> <p>Interest of 0% p. a.</p>
First Interest Payment Date:	The date falling six months after the Settlement Date
Last Interest Payment Date:	The Maturity Date
Interest Payments:	Interest on the Bonds will start to accrue on Settlement Date and shall be payable semi-annually in arrears on the interest payment day in [June and December] each year (each an “ Interest Payment Date ”, or if the interest payment day does not fall on a Norwegian banking day on the first subsequent banking day.
Day-count fraction coupon:	30/360 unadjusted
Nominal Amount:	The Bonds will have a nominal value of USD 1.00 each.
Minimum Subscription:	Minimum subscription and allotment is USD 200,000.
CONVERSION TERMS:	
Conversion Right:	The right each bondholder has to convert their bond holdings into Shares at the prevailing Conversion Price, as set out in Schedule 1 (<i>Conversion terms and adjustment of Conversion Price</i>).
Shares:	Common shares issued by the Borrower with par value NOK 10 per share.
Share Price:	The volume weighted daily average trading price of the Shares on Oslo Stock Exchange.
Conversion:	<p>Each bondholder may exercise one or more of his Conversion Right(s) at the Conversion Price at any time during the Exercise Period, by notice to his/her own VPS Account Operator Investor provided that the relevant bondholder at the Conversion Date has the right to own Shares according to applicable law.</p> <p>The Conversion Right cannot be separated from the Bond.</p> <p>Any conversion is to be based on face value, excluding interest. Any conversion that does not take place on an Interest Payment Date will not receive interest accrued after the last Interest Payment Date.</p> <p>Conversion will be effected by a set-off of the total nominal value of the Bonds against the issuing of the whole number of Shares</p>

	<p>resulting from dividing the total nominal value by the Conversion Price. Any excess amount beyond the whole number of shares covered by the bonds shall fall to the Issuer.</p> <p>For more detail see Schedule 1 (<i>Conversion terms and adjustment of Conversion Price</i>).</p>
Conversion Date:	The date falling 10 banking days after the Paying Agent has received the relevant exercise notice from the bondholder's VPS Account Operator.
Conversion Period:	During the term of the Bonds, provided that conversion cannot occur later than [6 November] ¹ 2023 (the " Last Conversion Date ") and subject to the Conversion Right being exercised within the Exercise Period.
Exercise Period:	The period commencing on the Disbursement Date and ending 10 banking days prior to the date falling 5 years after [the date of the general meeting approving the issue of the Bonds] (both days inclusive) during which the Conversion Rights may be exercised.
Conversion Price:	Reference Share Price plus premium of [29.73%], subject to "Adjustment of the Conversion Price" set out below.
Reference Share Price:	USD [22.62] (being NOK [185] (converted at the Fixed Rate of Exchange), the issue price in the Issuer's contemplated private placement of Shares (the " Private Placement ").
Fixed Rate of Exchange:	NOK/ USD at [12 October 2018] being 8.18.
Share Settlement Option:	<p>The Issuer shall redeem the Bonds on the Last Conversion Date by exercising a Share Settlement Option with respect to all of the Bonds by giving notice to the Bond Trustee and the Bondholders not more than sixty (60) nor less than thirty (30) calendar days prior to the Last Conversion Date.</p> <p>The Issuer shall exercise the Share Settlement Option by issuing or transferring and delivering to the relevant Bondholder such number of Shares as is determined by dividing the aggregate principal amount and accrued but unpaid interest of such Bondholder's Bonds by the Current Value in effect on the Valuation Date.</p> <p>Any excess amount beyond the whole number of shares covered by the bonds shall fall to the Issuer.</p> <p>"Valuation Date" means the date falling three (3) dealing days prior</p>

¹ Date falling 5 years after shareholder meeting resolution to issue the Bonds.

	<p>to the Last Conversion Date.</p> <p>“Current Value” in respect of a Share on the Valuation Date shall mean 99% of the average of the Volume Weighted Average Price of the Share for the twenty (20) consecutive dealing days ending on the Valuation Date, translated into USD at the spot rate of exchange prevailing at the close of business on each such dealing day.</p>
<p>Change of Control Protection:</p>	<p>If a Change of Control Event has occurred, each Bondholder shall at any time during the period commencing on the date on which such Change of Control Event occurred and ending 60 calendar days following such date or, if later, the 60 calendar day period following notice of such Change of Control Event being given by the Issuer to the Bondholders (the "Change of Control Conversion Period"), be entitled at its option to (at each Bondholder's discretion) either:</p> <p>require early redemption of its Bonds (put option) at 101% of their Nominal Amount plus accrued but unpaid interest;</p> <p>or</p> <p>convert its Bonds at the Change of Control Conversion Price, as set out below (adjusted to reflect any previous adjustment to the Conversion Price (if applicable)):</p> $COCCP = \frac{[RP \times (N - n)] + [(OCP \times n)]}{N}$ <p>where:</p> <p>COCCP: is the Change of Control Conversion Price;</p> <p>RP: is the Reference Share Price;</p> <p>OCP: is the current Conversion Price;</p> <p>N: is the number of calendar days from (and including) the Settlement Date to (but excluding) the Last Conversion Date;</p> <p>n: is the number of calendar days from (and including) the Settlement Date to (but excluding) the date of the Change of Control Event.</p>
<p>Change of Control Event:</p>	<p>Means either (i) that a person or a group of persons acting in concert, directly or indirectly have acquired the right to cast, at a general meeting of shareholders of the Issuer, more than 50% of the voting rights of the Issuer; or (ii) a de-listing of the Issuer’s shares on Oslo Stock Exchange (unless the shares are listed on another regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID</p>

	II)).
Issuer Call Option:	<p>The Issuer may, on or after the Interest Payment Date falling 2.5 years after the Settlement Date, with a twenty (20) Banking Days' notice period, call the remaining part of the outstanding Bonds in cash at their par value plus accrued interest, provided that the Parity Value on each of at least twenty (20) consecutive dealing days ending not earlier than the dealing day prior to the date of the redemption notice, have exceeded USD 130,000.</p> <p>Each Bondholder may, within the Exercise Period, elect to exercise its Conversion Right after having received the Issuer's call option notice.</p> <p>"Parity Value" means, in respect of any dealing day, the USD amount calculated as follows:</p> $PV = N \times VWAP$ <p>where:</p> <p>PV = the Parity Value.</p> <p>N = the number of Shares determined by dividing USD 100,000 by the Conversion Price in effect on such dealing day (rounded down, if necessary, to the nearest whole Share).</p> <p>VWAP = the Volume Weighted Average Price of a Share on such dealing day (provided that if on any such dealing day the Shares shall have been quoted cum-Dividend or cum-any other entitlement, the closing price on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend or entitlement (or, if that is not a Dealing Day, the immediately preceding Dealing Day)), translated into USD at the Prevailing Rate on such Dealing Day.</p>
Clean-up Call:	The Issuer may at any time during the term of the Bonds, provided that 90% or more of the original issued Bonds shall have been redeemed or converted into Shares call the remaining part of the Bonds at its par value plus accrued interest.
Adjustment of Conversion Price:	The Bond Terms will contain standard adjustment mechanisms according to common market practice as set out in Schedule 1 hereto.
OTHER TERMS AND CONDITIONS:	
Conditions Precedent:	Standard conditions precedents for settlement of the Bond Issue and release of funds to the Issuer shall apply, in addition to the

	<p>following:</p> <ul style="list-style-type: none"> a) Completion of the Private Placement b) Approval from the bondholders meeting of the bond issue with ticker NOR10 c) Approval from the general meeting of the Company for the issue of the Bonds.
<p>Cross default clause:</p>	<p>The Issuer or any subsidiary, the aggregate amount of financial indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) below exceeds a total of USD 6 million, or the equivalent thereof in other currencies;</p> <ul style="list-style-type: none"> (i) any financial indebtedness or guarantee is not paid when due nor within any originally applicable grace period, (ii) any financial indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), (iii) any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or (iv) any creditor becomes entitled to declare any financial indebtedness due and payable prior to its specified maturity as a result of an event of default (however described).
<p>Other covenants:</p>	<p>During the term of the Bonds, neither the Issuer nor the Issuer's subsidiaries shall without the approval of the Trustee or, where necessary, the Bondholders' meeting:</p> <ul style="list-style-type: none"> (a) cease to carry on its business, (b) in respect of the Issuer, issue any shares other than common shares, (c) sell or dispose of all or a substantial part of its assets or operations, change the nature of its business or merge with another company, or change its constitutional documents in a manner which might jeopardize the Issuer's ability to fulfil its obligations under the Bond Issue. <p>The Bond Terms shall include other standard covenants as per the Bond Trustee's s template for convertible bonds if applicable.</p>
<p>Permitted distribution:</p>	<p>The Bond Terms shall not prevent or restrict the Issuer from declaring and making any distributions (whether in form of dividends, stock repurchase, capital reduction or otherwise) relating to proceeds from the Insurance Claim. By "Insurance Claim" is understood the Issuer's and its subsidiaries insurance claims stemming from cracks being discovered in the structure of the Siri installation at the Siri Field on the DCS in August 2009, and related</p>

	to which the Company has been involved in a legal dispute in respect of the claims made under its insurances related thereto.
Issuer ownership of Bonds:	The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer's discretion be retained by the Issuer, sold or cancelled.
Quorum and voting:	The Bond Terms shall include a quorum requirement of 2/3 of voting bonds (50% for any repeated bondholders' meeting). Any decision by the bondholders to amend or waive any bond term or declare default shall require a majority of at least 2/3 of voting bonds.
Listing:	The Issuer shall list the Bonds on Oslo Børs.
Documentation:	Standard bond documentation (Norwegian)
Governing Law:	Norwegian law
Legal venue:	The District Court of Oslo as sole legal venue
Bond Trustee:	Nordic Trustee AS
Taxation:	The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law, subject to standard gross-up and gross-up call provisions.
Tax call:	<p>Subject to a Bondholder's election to receive cash payments (cf. above), if (i) the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer will have the right to redeem all, but not only some, of the Bonds at a price equal to 100% of the Nominal Amount (plus accrued interest). The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) business days prior to the relevant repayment date, provided that no such notice shall be given earlier than sixty (60) days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.</p> <p>A Bondholder may, by written notice to the Issuer at any time from receipt of written notice from the Issuer in accordance with paragraph (b) above to and including the day falling ten (10) Business Days prior to the redemption date, elect that its Bonds</p>

	<p>shall not be redeemed and that the gross-up provision requiring the Issuer to pay additional amounts shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant redemption date.</p>
<p>Bond Terms:</p>	<p>The standard Nordic Bond Terms for corporate and high yield bonds for Norway will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Bond Terms, the provisions of the Bond Terms shall prevail.</p> <p>By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.</p> <p>The Bond Terms shall include provisions on the Bond Trustee’s right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders’ Meetings and applicable quorum and majority requirements for Bondholders’ consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein.</p>
<p>Finance Documents:</p>	<p>Means:</p> <ul style="list-style-type: none"> a) the Bond Terms; b) the Bond Trustee Agreement; and c) any other document designated by the Issuer and the Bond Trustee as a Finance Document
<p>Terms of subscription:</p>	<p>Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholder, who will execute and deliver relevant application agreements (the "Application Agreement") prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter’s execution and delivery is on behalf of all of the subscribers, such that they thereby will become bound by the Bond Terms. The Bond Terms specify that by virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the terms of the Bond Terms and any other Finance Document, without any further action</p>

	<p>required to be taken or formalities to be complied with.</p> <p>The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.</p>
Subscription Restrictions:	<p>The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.</p> <p>The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Agreement. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.</p>
Transfer Restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none"> • Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. • Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Approvals:	<p>The Bonds will be issued subject to both a board resolution of the Issuer as well as a necessary approval from an extraordinary general meeting.</p>
Subject to:	<p>The issue of Bonds shall be subject to finalized documentation and approval of Bond Terms by the Issuer and the Trustee.</p>
Registration:	<p>The Norwegian Central Securities Depository ("VPS"). Principal and interest accrued will be credited to the Bondholders through VPS.</p>
Managers:	<p>ABG Sundal Collier and Arctic Securities</p>

Paying Agent:	DNB Bank ASA
Market making:	No market-maker agreement has been made for this Bond Issue.

Schedule 1
Conversion terms and adjustment of Conversion Price

1 Conversion terms

- 1.1** Each Bondholder may exercise one or more of his Conversion Right(s) at the Conversion Price at any time during the Exercise Period provided that notification thereof is given pursuant to clause 1.4.

A Conversion Right may only be exercised in respect of the whole of the principal amount of a Bond.

Conversion Rights may not be exercised (i) following the giving of notice by the Bond Trustee pursuant to clause [*notice of Event of Default clause*] or (ii) in respect of a Bond which the relevant Bondholder has exercised its right to require the Issuer to redeem pursuant to the terms set forth in these Bond Terms.

- 1.2** The Conversion Right cannot be separated from the Bond.
- 1.3** The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the relevant Bond or Bonds by the Conversion Price in effect on the relevant Conversion Date. The Conversion Price shall be subject to adjustment pursuant to clauses 1.4, 2 and 3.
- 1.4** In order to exercise a Conversion Right, the Bondholder shall deliver to the Paying Agent (*via* its Account Manager) a duly completed, irrevocable and signed exercise notice in a form acceptable to the Paying Agent. Request for conversion takes place by the Bondholder notifying his Account Manager of the number of Bonds which shall be converted. The Account Manager will then promptly forward the request to the Issuer (*via* the Paying Agent).
- 1.5** Conversion will be effected by a set-off of the aggregate principal amount of the Bonds to be converted against the issuing of the whole number of Shares resulting from dividing the aggregate principal amount of the Bonds to be converted by the Conversion Price. Any excess amount beyond the whole number of Shares converted by the Bonds shall fall to the Issuer and accordingly fractions of Shares will not be issued or transferred upon exercise of a Conversion Right and no cash payment will be made in lieu thereof. Where Conversion Rights are exercised by a Bondholder in respect of more than one Bond, the number of Shares to be issued will be determined on the basis of the aggregate principal amount of such Bonds.

The Issuer shall pay all (if any) taxes and capital, stamp, issue and registration duties payable in Norway arising on conversion and on the issue and delivery of Shares upon conversion.

Interest accrued since the last Interest Payment Date but not due on a Conversion Date, shall not be payable in cash nor kind to the Bondholders, but shall accrue to the Issuer unless the Conversion Date shall fall on a Payment Date or a Bondholder is exercising its Conversion Right following the Issuer having exercised its option to redeem the Bonds under clause [*Clean-up Call*] or [*Tax Call*], in which case interest due shall be paid to the relevant Bondholder.

- 1.6** The Issuer shall (if relevant *via* the Paying Agent) on or prior to or with effect from the Conversion Date (i) carry the conversion into effect by issuing the relevant number of new Shares, (ii) ensure the due registration of the new Shares in the Securities Depository (at the account of the converting Bondholder) and listing of the new Shares on the Relevant Stock Exchange and any other stock exchange on which the Shares may then be listed or quoted or dealt in (and shall deliver any such documents and do any acts necessary in relation thereto),

but this obligation to list such Shares shall not be considered as being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Issuer) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Issuer as a result of the Change of Control, a de-listing of the Shares and (iii) ensure that the Outstanding Bonds shall be written down.

- 1.7** Shares issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date or, in the case of Additional Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Shares or, as the case may be, Additional Shares will not rank for any rights, distributions or payments the record date (or other due date for the establishment of entitlement) for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

Where Shares are issued on conversion of the Bonds or pursuant to the Share Settlement Option, the share capital contribution for the Shares to be issued shall be settled by set-off of the principal amount of the Bonds to be converted, such principal amount to be translated into NOK at the Prevailing Rate on the business day prior to the relevant Conversion Date, as the case may be, but this paragraph shall not affect the number of Shares to be delivered on conversion of the Bonds or pursuant to the Share Settlement Option, which shall be determined as provided in this Bond Agreement.

2 Adjustment of the Conversion Price

Upon the occurrence of any of the events described below, the Conversion Price shall be adjusted as follows:

- 2.1** If and whenever there shall be a consolidation, reclassification or subdivision affecting the number of Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- B is the aggregate number of Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- 2.2** If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares or (3) where any such Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Conversion

Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the Shares in issue immediately before such issue; and

B is the aggregate nominal amount of the Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

2.3 If and whenever the Issuer shall pay or make any Dividend to the Shareholders where the Effective Date in respect of which falls on or after the Issue Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, is the Current Market Price of one Share on the date on which such Shares are purchased or, in the case of a Spin-Off, is the mean of the Volume Weighted Average Prices of a Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding the first date on which the Shares are traded ex- the relevant Spin-Off on the Relevant Stock Exchange; and

B is the portion of the Fair Market Value, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Shares in issue immediately prior to such purchase), of the Dividend attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares, on the date such purchase is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex- the relevant Spin-Off.

For the purposes of the above, the Fair Market Value of a Cash Dividend shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange, and in the case of a Non-Cash Dividend, the Fair Market Value of the relevant Dividend shall be the Fair Market Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets.

“Non-Cash Dividend” means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

“Cash Dividend” means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of “Spin-Off” and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of “Dividend”, and for the avoidance of doubt, a Dividend falling within paragraph (c), (d) or (e) of the definition of “Dividend” shall be treated as being a Non-Cash Dividend.

2.4 If and whenever the Issuer shall issue Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares or any Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the first Dealing Day on which the Shares are traded ex- the relevant issue on the Relevant Stock Exchange, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue on the Effective Date;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Share; and
- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate,

provided that if at the time of issue of the relevant Securities or the date of grant of such rights (as used in this Clause 13 paragraph (d), the **“Specified Date”**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this clause 2.4, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or other variable feature had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 2.4, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

2.5 If and whenever the Issuer shall issue any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase any Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this clause 2.5, the first date on which the Shares are traded ex- the relevant Securities on the Relevant Stock Exchange.

2.6 If and whenever the Issuer shall issue (otherwise than as mentioned in clause 2.4 above) wholly for cash or for no consideration any Shares (other than Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as mentioned in clause 2.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the Bonds), in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and

C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if at the time of issue of the relevant Securities or the date of grant of such rights (as used in this clause 2.6, the “**Specified Date**”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such options, warrants or other rights to

subscribe for or purchase any Shares are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this clause 2.6, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or other variable feature had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this clause 2.6, the date of issue of such Shares or, as the case may be, the grant of such options, warrants or rights.

- 2.7** If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in clause 2.4, 2.5 or 2.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Shares, and the consideration per Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares which may be issued or arise from any such redesignation,

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this clause 2.7 the “**Specified Date**”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this clause

2.7, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this clause 2.7, the date of issue of such Securities or, as the case may be, the grant of such rights.

2.8 If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Bonds) as are mentioned in clause 2.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such issue, less the number of such Shares so issued, purchased or acquired);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such Securities; and
- C is the maximum number of Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this clause 2.8 or clause 2.7 above,

provided that if at the time of such modification (as used in this clause 2.8 the "**Specified Date**") such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this clause 2.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 2.8, the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- 2.9** If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under clause 2.2, 2.3, 2.4, 2.6 or 2.7 or clause 11.4 (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Share on the relevant Dealing Day) or under clause 2.5) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the Effective Date; and
B is the Fair Market Value on the Effective Date of the relevant offer attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 2.9, the first date on which the Shares are traded ex-rights on the Relevant Stock Exchange.

- 2.10** Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this clause 2 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Bond Trustee, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result.

- 2.11** For the purpose of any calculation of the consideration receivable or price pursuant to clauses 2.4, 2.6, 2.7 and 2.8, the following provisions shall apply:

2.11.1 the aggregate consideration receivable or price for Shares issued for cash shall be the amount of such cash;

2.11.2 (x) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case

may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the Effective Date, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- 2.11.3 if the consideration or price determined pursuant to clause 2.11.1 or 2.11.2 above (or any component thereof) shall be expressed in a currency other than USD it shall be converted into USD at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the Prevailing Rate on the relevant Effective Date; and
- 2.11.4 in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Shares or Securities or otherwise in connection therewith.
- 2.12 If the Conversion Date in relation to the conversion of any Bond shall be after the record date or other due date for any consolidation or sub-division as is mentioned in clause 2.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in clauses 2.2, 2.3, 2.4, 2.5 or 2.9, or after any such issue or grant as is mentioned in clause 2.6 and 2.7, in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under clause 2 (such adjustment, a **"Retroactive Adjustment"**), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or delivered to the converting Bondholder, such additional number of Shares (if any) (the **"Additional Shares"**) as, together with the Shares issued or to be issued or delivered on conversion of the relevant Bond (together with any fraction of a Share not so issued), is equal to the number of Shares which would have been required to be issued or delivered on conversion of such Bond if the relevant adjustment (more particularly referred to in the said provisions of clause 2) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date, provided that if the relevant Bondholder shall be entitled to receive the relevant Dividend in respect of the Shares to be issued or delivered to it, then no such Retroactive Adjustment shall be made in relation to such Dividend and the relevant Bondholder shall not be entitled to receive Additional Shares in relation thereto. Additional Shares will be delivered to Bondholders not later than 10 Business Days following the date the relevant Retroactive Adjustment becomes effective (the **"Reference Date"**).
- 2.13 No adjustment will be made to the Conversion Price where Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees or former employees (including Directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries

or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to any employees' share or option scheme.

- 2.14** On any adjustment, the resultant Conversion Price, if not an integral multiple of USD 0.0001, shall be rounded down to the nearest whole multiple of USD 0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders and the Bond Trustee promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value of the Shares and the Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.

If changes are made in the share capital other than those mentioned above, which are unfavourable to the Bondholders compared to the Shareholders, the Bond Trustee and the Issuer shall agree on a new Conversion Price. This also applies to other transactions, which are unfavourable to the Bondholders compared to the Shareholders.

If an adjustment of the Conversion Price requires a conversion to USD, the exchange rate shall be the Prevailing Rate on the date triggering such adjustments. For the avoidance of doubt, when calculating weighted averages over several days, each day should apply the Prevailing Rate for that day.

- 2.15** “**Current Market Price**” means, in respect of a Share at a particular date, the average of the Volume Weighted Average Price of a Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

2.15.1 if the Shares to be issued or transferred do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Effective Date relating to such Dividend (or entitlement), determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit; or

2.15.2 if the Shares to be issued or transferred do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Effective Date relating to such Dividend (or entitlement), determined on a gross basis

and disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit,

and provided further that, if on each of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of the first public announcement of such Dividend or entitlement, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit,

and provided further that, if the Volume Weighted Average Price of a Share is not available on one or more of the said five Dealing Days, then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

“Dealing Day” means a day on which the Relevant Stock Exchange is open for business, (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time).

“Dividend” means any dividend or any form of distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Shares, or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of the Dividend in cash, then for the purposes of this definition the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such cash amount and (ii) the Fair Market Value (on the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined), of such Shares or other property or assets;
- (b) any issue of Shares falling within clause 2.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any Subsidiary of the Issuer shall not constitute a Dividend unless, in the case of purchases, redemptions or buy backs of Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a **“Specified Share Day”**) in respect of such purchases, redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day), exceeds by more than 5 per cent. the average of the closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five Dealing Days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases

approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the five Dealing Days immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Dividend in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Shares determined as aforesaid and (ii) the number of Shares so purchased, redeemed or bought back; and

- (d) there shall (other than in circumstances subject to proviso (a) above) be any issue or delivery of Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue or delivery is or is expressed to be in lieu of a Dividend in cash (whether or not a cash Dividend equivalent amount is announced) or a Dividend in cash is announced that is to be satisfied by the issue or delivery of Shares or other property or assets; and
- (e) if the Issuer or any of its Subsidiaries (or any person on its or their behalf) shall purchase any receipts or certificates representing Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided, that (i) the Fair Market Value of a Cash Dividend paid or to be paid shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such Securities or Spin-Off Securities, options, warrants or other rights are publicly traded); and (iv) in the case of (i) converted into the Relevant Currency (if declared or paid in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, converted into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“Independent Financial Adviser” means an independent investment bank of international repute appointed by the Issuer and approved in writing by the Bond Trustee or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Bond Trustee) and the Bond Trustee is indemnified and/or secured as to costs to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Bond Trustee following notification to the Issuer.

“Prevailing Rate” means, in respect of any pair of currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date (for the purpose of this definition, the **“Original Date”**) as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies, or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined, provided that if such immediately preceding day falls earlier than the fifth day prior to the Original Date or if such rate cannot be so determined (all as determined in good faith by the Issuer), the Prevailing Rate in respect of the Original Date shall be the rate determined in such other manner as an Independent Financial Adviser shall consider appropriate.

“Relevant Currency” means, at any time, the currency in which the Shares are quoted or dealt in at such time on the Relevant Stock Exchange.

“Relevant Stock Exchange” means the Oslo Stock Exchange or, if at the relevant time, the Shares are not at that time listed and admitted to trading on the Oslo Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“Securities” means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

“Spin-Off” means:

- (f) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (g) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class, pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

“Spin-Off Securities” means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

“Volume Weighted Average Price” means, in respect of a Share, Security or, as the case may be, a Spin-Off Security on any Dealing Day, the volume-weighted average price of a Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Share) from Bloomberg page HP (or any successor page) (setting Weighted Average Line or any other successor setting and using values not adjusted for any event occurring after such Dealing Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) or (in the case of a Security or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such Dealing Day, provided that if on any such Dealing Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security or a Spin-Off Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined, and, in each case, if expressed in another currency, converted into the applicable currency by using the Prevailing Rate, and when calculating the Volume Weighted Average Price over several days, each day should apply the Prevailing Rate for that day.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

- 2.16** If changes are made in the share capital other than those mentioned above, which are unfavourable to the Bondholders compared to the Shareholders, the Bond Trustee and the Issuer shall agree on a new Conversion Price. This also applies to other transactions, which are unfavourable to the Bondholders compared to the Shareholders.
- 2.17** If an adjustment of the Conversion Price requires a conversion to USD, the exchange rate shall be the Prevailing Rate on the date triggering such adjustments. For the avoidance of doubt, when calculating weighted averages over several days, each day should apply the Prevailing Rate for that day.

3 Merger and de-merger

- 3.1** In the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Issuer, the Issuer will take such steps as shall be required by the Bond Trustee (including the execution of an agreement supplemental to or amending the Bond Terms) to ensure that each Bond then outstanding will (during the period in which Conversion Rights may be exercised) be converted into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation, merger, sale or transfer. Such supplemental agreement deed will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in clause 15. The above will apply, *mutatis mutandis* to any subsequent consolidations, amalgamations, mergers, sales or transfers.
- 3.2** The provisions in this clause 3 have no limitation on the creditor’s right of objection to the merger or de-merger.

Schedule 2 Intercreditor Principles

- 1.1 These draft inter creditor principles set out the principles for an inter creditor agreement to be entered into between (i) the bond trustee (acting on behalf of the bondholders (the "**Bondholders**")) of a convertible high yield Norwegian bond (the "**Bonds**") to be issued by Norwegian Energy Company ASA ("**Noreco**"), (ii) the agent(s) (acting on behalf of the finance parties) of a reserve based lending facility (the "**RBL**") to be entered into by Altinex AS as borrower and Noreco as guarantor and (iii) Noreco as guarantor under the RBL and issuer of the Bonds. These principles are subject to long form documentation and further comments from the RBL finance parties.
- 1.2 The claims which the Bondholders have against Noreco shall be fully subordinated at all times to the claims of RBL finance parties' against all members of the Noreco group under the RBL finance documents. Cash payment of coupon under the Bonds shall be permitted at the discretion of Noreco.
- 1.3 The Bondholders shall be restricted from taking any enforcement action against Noreco and/or any member of the Noreco group for the repayment of any debt owed by Noreco and/or any member of the Noreco group including but not limited to (i) any legal action, proceedings or applications, (ii) the exercise of any right of set off or similar, (iii) the entry into any composition or similar arrangement, and (iv) the taking of any step for liquidation, winding up, administration or similar.
- 1.4 There will be no concept of 'standstill periods' as the ability of Bondholders to take enforcement action will only arise following full discharge of the RBL finance parties' debts. Any recoveries pursuant to any such action in breach of the foregoing shall be subject to turnover provisions in favour of the RBL finance parties.
- 1.5 Notwithstanding the above, it is noted that the Bonds will be unsecured and recourse under the terms of the Bonds shall be solely to Noreco (and none of its subsidiaries). The Bondholders may not take, accept or receive the benefit of any security, guarantee, indemnity or other assurance against loss from any member of the Noreco group in respect of any of the liabilities owing under the Bonds.
- 1.6 It is also noted that RBL finance parties will have the unilateral right to enforce their security and to apply the proceeds towards liabilities owed to the finance parties under the RBL finance documents. The RBL finance parties will have unfettered rights to declare an RBL event of default, accelerate repayment and take all other action under the RBL finance documents, including but not limited to enforcement of other security granted by Noreco to the RBL finance parties. Without limitation, the inter creditor agreement shall not place any restrictions on RBL finance parties taking enforcement action, declaring an event of default, amending or waiving any aspect of the RBL documentation, or otherwise restricting the RBL finance parties' rights.
- 1.7 Noreco and the Bondholders shall not, without the prior written consent of the agent(s) under the RBL, be entitled to enter into any amendment agreements or grant any waivers or consents in relation to Noreco's right to claim and enforce conversion of the Bonds.
- 1.8 The inter creditor agreement shall be governed by Norwegian law.