



Norske Skog

Securities Note

for

ISIN NO0010936065

**Norske Skog ASA FRN senior secured EUR 150,000,000
callable bonds 2021/2026**

Joint Lead Arrangers & Bookrunners:

DNB
Markets

Pareto Securities

Oslo, 21 June 2021

Important information*

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Securities Note has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Securities Note.

New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Regulation (EU) 2017/1129. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

MIFID II product governance / Professional investors and eligible counterparties (ECPs) only target market –

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended) (MiFID II); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a distributor) should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and eligible counterparties only (ECPs) target market –

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Only the Issuer and the Joint Lead Arrangers and Bookrunners are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Approval of the Securities Note by the Norwegian FSA implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Issuer and the Joint Lead Managers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The Securities Note together with the Registration Document and any applicable supplements constitutes the Prospectus.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Please contact the Issuer or the Joint Lead Arrangers and Bookrunners to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Modification and Waiver

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

Please see the Bond Terms for the Bond Trustee's power to represent the Bondholders and the duties and authority of the Bond Trustee.

*The capitalised words in the section "Important Information" are defined in Chapter 3: "Detailed information about the securities".

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1 Risk Factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Prospective investors should also read the detailed information set out in the Registration Document dated 21 June 2021 and reach their own views prior to making any investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Issuer and the bonds issued by the Issuer, respectively.

1.1 Risk factors material to the Bonds

The Issuer is a holding company

The Issuer is a holding company supplying headquarter services to its Group companies, without any other operations and conducts its external business through subsidiaries. Thus, the Issuer does not generate any cash and is dependent on cash generation and distribution from subsidiaries in order to meet its payment obligations under the Bonds. Contractual provisions, laws and the financial condition or operating requirements of the Issuer's subsidiaries may limit the Issuer's ability to obtain cash from its subsidiaries. Any inability to transfer cash from the Issuer's subsidiaries may mean that the Issuer is unable to meet its payment obligations under the Bonds, even though the Group may have sufficient cash resources on a consolidated basis to meet its obligations. This may negatively impact the Issuer's ability to perform its obligations under the Bonds.

Value of the security package

If the Issuer defaults under the Bond issue, the bondholders will be secured only to the extent of the value of their collateral and the underlying security assets. All security will be established on a first priority basis, subject to applicable law. The secured amount in relation to pledges over machinery and plant and mortgages over the properties owned by each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS will each be limited to EUR 205,000,000 and these assets will be encumbered with second ranking security in favour of Statkraft as security for obligations under energy contracts. Further, the Bonds will be secured on a pari passu basis with the other secured parties in respect of the secured assets under the security package, subject to the super senior status of (i) any revolving credit facility to be provided to the Issuer with an aggregate maximum commitment of up to EUR 31,000,000 (or the equivalent in any other currency), (ii) any guarantee facility provided to the Issuer by a financial institution (the "Issuing Bank") under which the Issuing Bank provides a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument in respect of an underlying liability in the ordinary course of business of a Group Company and (iii) the obligations of any Group Company under a derivative transaction entered into with one or more hedge counterparties. The RCF creditors, the Issuing Bank and the hedge counterparties will receive (i) the proceeds from any enforcement of the security assets and the guarantees and certain distressed disposals and (ii) any payments following any other enforcement event prior to the holders of the Bonds (but otherwise rank pari passu in right of payment with the Bonds) in accordance with the waterfall provisions of the intercreditor agreement. The intercreditor agreement will also contain certain provisions regulating instruction rights over the security agent, including instructions as to enforcement. Upon certain conditions being met, such instruction right may be held entirely by a defined majority of such super senior creditors (whose claims will rank senior to the Bonds with respect to enforcement proceeds). Such super senior creditors may have conflicting interests with the bondholders in a default and enforcement scenario, including an incentive to take enforcement steps which may be detrimental to the value of the Bonds and recovery for the bondholders. As a consequence, and although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the security will be sufficient to cover all the outstanding amounts under the Bonds together with accrued interest and expenses in case of a default and/or if the Issuer enters into liquidation.

The guarantees and security interests may be subject to certain limitations

The guarantees and the security provided for the payment of the Bonds contain general limitation language to the effect that each guarantee and each security interest granted as well as any other obligation, liability or indemnification thereunder shall be limited, if and to the extent required by applicable law. Enforcement of any of the guarantees or the security interests against any guarantor and any grantor of security is also subject to certain defences available to guarantors and grantors of security interests generally. In addition, guarantees or security interest infringing the limitations will be void, and any funds paid out will have to be repaid. Due to the limitations described above, there is a risk of the value of such guarantees and security provided by any subsidiary of the Issuer being reduced to zero.

The Bonds will be structurally subordinated to the liabilities of the Issuer's subsidiaries that have not guaranteed the Bonds

Generally, claims of creditors of a subsidiary of the Issuer that has not guaranteed the Bonds, including trade creditors, will have priority with respect to the assets and earnings of that subsidiary over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of the Issuer's subsidiaries that have not guaranteed the Bonds, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those

subsidiaries before any assets are made available for distribution to such subsidiary's parent entity. As such, the Bonds and each guarantee will each be structurally subordinated to the creditors (including trade creditors) of subsidiaries that have not guaranteed the Bonds.

Interest-rate risk

Interest rate risk is the risk that results from the variability of the EURIBOR interest rate. The coupon payments, which depend on the EURIBOR interest rate and the Margin, will vary in accordance with the variability of the EURIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (EURIBOR 3 months) over the tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

The regulation and reform of "benchmarks" may adversely affect the value of securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including EURIBOR) are subject to recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any securities linked to or referencing such a "benchmark". The Benchmarks Regulation could have a material impact on any Bonds linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

The Bonds are linked to EURIBOR and there is a risk that any discontinuance or reforms of EURIBOR may have material adverse effect on the pricing of the Bonds. No guarantees can be made as to the continuance of the current underlying reference rate of the Bonds and the possible consequences a potential discontinuance of EURIBOR may have on the value of the Bonds.

2 Persons Responsible

2.1 Persons responsible for the information

Persons responsible for the information given in the Prospectus are:
Norske Skog ASA, Sjølyst plass 2,0278 Oslo, Norway.

2.2 Declaration by persons responsible

Responsibility statement:

Norske Skog ASA confirms that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo (Norway), 21 June 2021

Norske Skog ASA

Sven Ombudstvedt
CEO

2.3 Competent Authority Approval

Norske Skog ASA confirms that:

- (a) this Securities Note has been approved by the Finanstilsynet, as competent authority under Regulation (EU) 2017/1129;
- (b) the Finanstilsynet only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- (c) such approval shall not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note;
- (d) investors should make their own assessment as to the suitability of investing in the securities.

3 Detailed information about the securities

ISIN code:	NO0010936065
LEI-code:	529900MY60WXHHY3039.
The Loan/The Reference Name/The Bonds:	"Norske Skog ASA FRN senior secured EUR 150,000,000 callable bonds 2021/2026".
Issuer/Company:	Norske Skog ASA, a company existing under the laws of Norway with registration number 914 483 549.
Group:	The Issuer with all its Subsidiaries from time to time (each a "Group Company").
Group Company:	Means any person which is a member of the Group.
Guarantors:	Each of: <ul style="list-style-type: none">(i) Nornews A/S (Norway)(ii) Norske Skog Skogn AS (Norway)(iii) Norske Skog Saugbrugs AS (Norway)(iv) Norske Skog Industries Australia Ltd. (Australia)
Obligors:	The Issuer and the Guarantors.
Security Type:	Senior secured Callable Bond Issue with floating rate.
Borrowing Amount:	EUR 150,000,000
Denomination – Each Bond:	EUR 100,000 - each and ranking pari passu among themselves
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/ Issue Date:	2 March 2021.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	2 March 2026.
Reference Rate:	3 months EURIBOR
Margin:	5.50 per cent. per annum.
Interest Rate:	Reference Rate + Margin, equal to 5.50 % p.a. for the interest period ending on 2 September 2021 - 92 days (subject to adjustment according to the Business Day Convention). In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	If the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (Modified Following Business Day Convention).

Interest Rate Determination Date (Interest Quotation Day):	26 February 2021, and thereafter two Business Days prior to each Interest Payment Date.
Interest Rate Adjustment Date:	Interest Rate determined on an Interest Rate Determination Date will be effective from and including the accompanying Interest Payment Date.
Interest Payment Date:	Each 2 March 2 June, 2 September and 2 December in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.
#Days first term:	92 days.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. Yield for the Interest Period (2 June 2021 – 2 September 2021) is 5.6136 % p.a. assuming a price of 100.00 %.
Business Day:	Means a day on which both the relevant CSD settlement system is open, and which is a TARGET Day.
TARGET Day:	Means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro
Mandatory repurchase due to a Put Option Event:	<p>(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 101 per cent. of the Nominal Amount.</p> <p>(b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (Put Option Event) in the Bond Terms. Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.</p> <p>(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholder’s holding of Bonds at the Put Option Repayment Date.</p> <p>(d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event) in the Bond Terms, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.</p>

Put Option Event means a Change of Control Event or an Equity De-Listing Event.

Change of Control Event means any person or group of persons acting in concert acquires Decisive Influence over the Issuer.

Equity De-Listing Event means an event where the shares in the Issuer ceases to be listed on any Exchange.

Definitions: *Please see Bond Terms paragraph 1.1 Definitions.*

Voluntary early redemption – Call Option:	<p>(a) The Issuer may redeem all or any part of the Outstanding Bonds (the “Call Option”) on any Business Day from and including:</p> <p>(i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;</p> <p>(ii) the First Call Date to, but not including, the Interest Payment Date in March 2025 at the First Call Price;</p>
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- (iii) the Interest Payment Date in March 2025 to, but not including, the Interest Payment Date in September 2025 at a price equal to 101.10 per cent. of the Nominal Amount for each redeemed Bond; and
 - (iv) the Interest Payment Date in September 2025 to, but not including, the Maturity Date at a price equal to 100.55 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
 - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
 - (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Definitions: Please see *Bond Terms paragraph 1.1 Definitions*.

Make Whole Amount: means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of the First Call Price of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,

where the present value shall be calculated by using a discount rate of 0.50 per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

Early redemption option due to a tax event:

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (Taxation) in the Bond Terms as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business 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.

Definitions: Please see *Bond Terms paragraph 1.1 Definitions*.

First Call Date: Means the Interest Payment Date falling in March 2024.

First Call Price: 102.20 per cent. of the Nominal Amount for each redeemed Bond.

Amortisation: The 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 100% of the nominal value.

Redemption: Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the Limitation Period for Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

Status of the Loan: The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of

the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Transaction Security:

The Bonds will be secured on a *pari passu* basis with the other Secured Parties in respect of the Security, subject to the super senior status of the Revolving Credit Facility, the Guarantee Facility and Permitted Hedging. The RCF Creditors, the Issuing Banks and the Hedge Counterparties will receive (i) the proceeds from any enforcement of the Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event (collectively, the “Enforcement Proceeds”) prior to the Bondholders (but otherwise rank *pari passu* in right of payment with the Bonds) in accordance with the waterfall provisions of the Intercreditor Agreement.

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority within the times agreed in Clause 6 (Conditions for disbursement) in the Bond Terms:

The obligations of the Issuer under the Bonds are secured by:

- (i) the Guarantees;
- (ii) a pledge over all shares owned by any Group Company in Nornews A/S (Norway), Norske Skog Skogn AS (Norway) and Norske Skog Saugbrugs AS (Norway);
- (iii) an assignment over any Intercompany Loans;
- (iv) mortgages over the Skogn Mill Property and the Saugbrugs Mill Properties owned by Norske Skog Skogn AS and Norske Skog Saugbrugs AS, respectively;
- (v) a pledge over machinery and plant (Norwegian: Driftstilbehørspant) of each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS; and
- (vi) a security interest by operation of law in any insurance taken out in respect of the property of each of the mills owned by Group Companies incorporated in Norway.
- (vii) an assignment over any future Intercompany Loans; and
- (viii) any required assignment over any future Issuer Intercompany Loans.

Any Post-Disbursement Security over any Intercompany Loan or Issuer Intercompany Loan shall be established no later than 20 Business Days after it is incurred.

The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

The pledge over machinery and plant and mortgages over the properties owned by each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS shall each be limited to an amount of EUR 205,000,000 in order to facilitate the second ranking Statkraft Security.

The Pre-Disbursement Security and the Post-Disbursement Security (but not the Pre-Settlement Security) shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement. The Bond Trustee will, to the extent permitted by applicable law, act as Security Agent in respect of the Pre-Disbursement Security and the Post-Disbursement Security and any other security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties).

The Bond Trustee (in its capacity as Security Agent) shall pursuant to the terms of the Intercreditor Agreement:

- (i) release any Guarantees and Security over shares or assets which are sold or otherwise disposed of:
 - A. in any merger, de-merger or disposal permitted in compliance with Clauses 13.6 (Mergers and de-mergers) or 13.7 (Disposals) in the Bond Terms; or
 - B. following enforcement or insolvency.

Registered mortgage:

Norske Skog Skogn AS, 5037 Levanger, Gnr. 34 og Bnr.3.

Norske Skog Saugbrugs AS, 0101 Halden, Gnr. 66 og Bnr. 301, 302, 364, 251, 300, 411, 429, 430, 431, 432, 433, 434, 435, 437, 438, 439 og 856, Gnr. 69 og Bnr. 2, 21 og 147, Gnr. 99 og Bnr. 1, 2, 3, 22 og 23, Gnr. 149 og Bnr. 103, Gnr. 156 og Bnr. 16, 18, 19 og 28, Gnr. 160 og Bnr. 499, 503 og 527.

Definitions: *Please see Bond Terms paragraph 1.1 Definitions.*

Guarantee:

Each Guarantor has granted an unconditional and irrevocable corporate guarantee (Norwegian: "selvskyldnerkausjon") to Nordic Trustee AS as security agent for due and punctual performance of the Secured Obligations.

Secured Obligations" means all present and future obligations and liabilities of the Obligors under the Finance Documents.

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Secured Party the due and punctual performance of all the Secured Obligations (including, for the avoidance of doubt, any interest and default interest accrued thereon at any time) by any member of the Group and by each Debtor to any Secured Party under the Debt Documents;
- (b) undertakes with each Secured Party that whenever any member of the Group or any Debtor does not pay to any Secured Party any amount when due under or in connection with any Debt Documents (or anything which would have been due if the Debt Document or the amount was enforceable, valid and not illegal), that Guarantor shall immediately on demand pay that amount as if it was the principal obligor (Norwegian: selvskyldnergarantist); and
- (c) agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of any member of the Group or any Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it to any Secured Party under any Debt Documents on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of a guarantee.

Each of paragraphs (a), (b) and (c) is a separate obligation. None is limited by reference to the other.

The liability of each Guarantor under this Agreement shall be limited to EUR 434,400,000 (or its equivalent in other currencies) plus the amount of any interest, commission, default interest, fees, costs and expenses accrued in respect thereof.

For further information about the Guarantee Agreement dated 12 March 2021, please see Appendix 2.

General and Financial
Undertakings:

General Undertakings:

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in Clause 13 (General and financial Undertakings) in the Bond Terms.

Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time.

Pari passu ranking

The Issuer shall ensure that its obligations under the Bond Terms and any other Finance Document to which it is party shall at all times rank at least *pari passu* as set out in Clause 2.4 (Status of the Bonds) in the Bond Terms.

Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

Corporate status

The Issuer shall not change its type of organization or jurisdiction of incorporation. No Guarantor shall change its type of organization or jurisdiction of incorporation if such change would have a Material Adverse Effect.

Mergers and de-mergers

Except for Permitted Disposals, the Issuer shall not, and shall procure that no other Group Company will, carry out:

- a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger;

if such transaction would have a Material Adverse Effect.

Disposals

Except for Permitted Disposals, the Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of (a) any shares in any Guarantors or (b) all or a material part of its assets or operations to any person not being a Group Company, unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect.

Arm's length transactions

The Issuer shall, and shall procure that all other Group Companies will, conduct all transactions with any Affiliate on an arm's length basis.

Insurances

The Issuer shall, and shall procure that each other Group Company will maintain with reputable insurance companies, funds or underwriters, insurances or captive arrangements with respect to its mills, factories, equipment and business against such liabilities, casualties and contingencies as are consistent with prudent business practice.

Reporting

The Issuer shall of its own accord make Financial Reports available to the Bond Trustee not later than four months after the end of the financial year and not later than two months after each Quarter Date. Such reports shall be prepared in accordance with the Accounting Standard.

Dividends

Other than any Permitted Distribution, the Issuer may not declare or make any Distributions.

Financial Indebtedness

Other than any Permitted Financial Indebtedness, the Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any Financial Indebtedness.

Negative pledge

Other than any Permitted Security, the Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its respective assets. Except pursuant to the Transaction Security Documents, the Statkraft Security and Governmental Security, no additional security shall be established over the Security Assets.

Financial Support

Other than any Permitted Financial Support, the Issuer shall not, and shall procure that no other Group Company will, make or grant any Financial Support.

Subsidiaries' Distributions

The Issuer shall not permit any other Group Company to create or permit to exist any

contractual obligation or Security restricting the right of any Group Company to:

- a) pay dividends or make other Distributions;
- b) service any Financial Indebtedness to the Issuer;
- c) make any loans to the Issuer; or
- d) transfer any of its assets and properties to the Issuer,

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with any of its obligations under these Bond Terms.

Financial covenants

The Issuer undertakes to comply with the following:

- a) **Minimum Liquidity:** The Liquidity shall exceed NOK 100,000,000.
- b) **Interest Coverage Ratio:** The Issuer shall ensure that the Group maintains an Interest Coverage Ratio of minimum 2.0:1.
- c) **Equity Ratio:** The Issuer undertakes to ensure that the Group maintains an Equity Ratio in excess of 25 per cent.

The Issuer undertakes to comply with the minimum Liquidity at all times while compliance with the Interest Coverage Ratio and Equity Ratio shall be measured on each Quarter Date. Compliance with the Financial Covenants shall be certified by the Issuer by the delivery of a Compliance Certificate, with the delivery of each Annual Financial Statements or Interim Accounts. All financial covenants shall be calculated on a consolidated basis for the Group.

When calculating the Interest Coverage Ratio, EBITDA shall be calculated and adjusted in accordance with Clause 13.16 (Incurrence Test) in the Bond Terms.

Incurrence Test

The Incurrence Test is met if:

- a) the Leverage Ratio does not exceed:
 - (i) with respect to the making of any Distribution, 1.50; and
 - (ii) with respect to incurring Financial Indebtedness for which compliance with the Incurrence Test is required, 3.00, and
- b) no Event of Default is outstanding or will occur as a result of the transaction for which the Incurrence Test is applied.

Events of Default:

Cross default

The Bond Terms shall include standard event of default provisions with standard remedy periods applicable to the Group Companies including cross default provision threshold of EUR 10,000,000 (or equivalent thereof in any other currency) and an equal insolvency or insolvency proceedings threshold amount, and cross default events shall include items (i)-(iv) in the standard Nordic Trustee Bond Terms, except that only cross acceleration (items (ii) and (iii) in the standard Nordic Trustee Bond Terms) shall apply to any breach of any financial maintenance covenants in any agreement for Financial Indebtedness.

For further information, please see Clause 14.1 in the Bond Terms.

Listing

An application for listing on the regulated market of Oslo Børs will be made.

Listing will take place as soon as possible after the prospectus has been approved by the Norwegian FSA.

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 6 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

Listing Failure Event means:

- (a) the Bonds have not been admitted to listing on an Exchange within 6 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure

	Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.
Expenses related to the Admission to trading:	The Issuer's expenses related to the listing of the Bonds on Oslo Børs is approximately MEUR 3.
Purpose/Use of proceeds:	The Issuer will use the net proceeds from the issuance of the Bonds: (a) to repay the Existing Bonds: MEUR 108; and (b) for general corporate purposes of the Group MEUR 39. Estimated net amount of the proceeds is approximately: MEUR 147
EURIBOR:	EURIBOR (European Interbank Offered Rate) being: (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or, (b) if no screen rate is available for the relevant Interest Period: (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to: (i) any relevant replacement reference rate generally accepted in the market; or (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period. In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.
Approvals:	The Bonds were issued in accordance with the Issuer's Board approval dated 19 February 2021. The prospectus is approved by the Norwegian FSA as competent authority under Regulation (EU) 2017/1129. The prospectus has also been sent to Oslo Børs ASA for review in relation to a listing application of the bonds.
Bond Terms:	The Bond Terms has been entered into by the Issuer and the Bond Trustee. The Bond Terms regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms. By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party. has accepted the Bond Terms and is bound by the terms of the Bond Terms. The Bond Terms is attached as Appendix 1 to this Securities Note. The Bond Terms is available through the Bond Trustee, the Joint Lead Managers or from the Issuer.
Bondholders' decisions:	At the Bondholders' meeting each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each voting bond owned at close of business on the day prior to the date of the Bondholders' meeting in the records registered in the Securities Depository.

	<p>In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting.</p> <p>Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph 15.1 (g) in the Bond Terms.</p> <p>Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (Procedure for amendments and waivers), paragraph (a) and (b) in the Bond Terms, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.</p> <p>(For more details, see also Bond Terms clause 15 Bondholders' Decisions and 17. Amendment and waivers</p>
Availability of the Documentation:	<p>https://www.norskeskog.com</p>
Bond Trustee:	<p>Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway. Website: https://nordictrustee.com.</p> <p>The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.</p> <p>The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Capital Requirement Breach has occurred.</p> <p>(For more details, see also Bond Terms clause 16)</p>
Joint Lead Arrangers and Bookrunners:	<p>DNB Markets, a part of DNB Bank ASA, Dronning Eufemias gate 30, NO-0191 Oslo, Norway and Pareto Securities AS, Dronning Mauds gate 3, NO-0250 Oslo, Norway.</p>
Paying Agent:	<p>DNB Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.</p> <p>The Paying Agent is in charge of keeping the records in the Securities Depository.</p>
Calculation Agent:	<p>The Bond Trustee.</p>
Central Securities Depository (CSD):	<p>The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2019 no. 6 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository (Verdipapirsentralen or "Euronext VPS"), P.O. Box 4, 0051 Oslo.</p>
Restrictions on the free transferability:	<p>Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.</p> <p>A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>
Market-Making:	<p>No market-making agreement has been entered into in connection with the Bond Issue.</p>
Legislation under which the Securities have been created:	<p>Norwegian law.</p>
Fees and Expenses:	<p>The tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities</p>

The Issuer shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

Prospectus:

The Registration Document dated 21 June 2021 together with this Securities Note dated 21 June 2021 constitutes the Prospectus.

4 Additional Information

The involved persons in the Issue have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated DNB Markets, a part of DNB Bank ASA and Pareto Securities AS. The Joint Lead Arrangers and Bookrunners have acted as advisors to the Issuer in relation to the pricing of the Loan.

The Joint Lead Arrangers and Bookrunners and/or any of its affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Arrangers' and Bookrunners' corporate finance departments may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

Statement from the Joint Lead Arrangers and Bookrunners:

The Issuer has mandated DNB Markets, a part of DNB Bank ASA and Pareto Securities AS, the Joint Lead Arrangers and Bookrunners, have assisted the Issuer in preparing the prospectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 21 June 2021

DNB Markets, a part of DNB Bank ASA
(www.dnb.no)

Pareto Securities AS
(www.pareto.no)

Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date.

Appendix 1: Bond Terms

BOND TERMS

FOR

**Norske Skog ASA FRN senior secured EUR 150,000,000 callable bonds
2021/2026**

ISIN NO 0010936065

ISIN NO 0010936073 (Temporary Bonds)

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Norske Skog ASA, a company existing under the laws of Norway with registration number 914 483 549 and LEI-code 529900MYY60WXHHY3039; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	26 February 2021
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Accounting Standard**” means GAAP.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence over that person (directly or indirectly).

“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond (and, for the avoidance of doubt, the Temporary Bonds), subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Book Equity**” means the aggregate book value (on a consolidated basis) of the Group’s total equity treated as equity in accordance with the Accounting Standard.

“**Bruck Boiler Facility**” means any Financial Indebtedness incurred by Norske Skog Bruck GmbH and/or its Subsidiary owning the Bruck Boiler, provided by a recognized bank or financial institution, up to an amount of EUR 54,000,000, for the purpose of funding the construction and development of a new waste incinerator at the Bruck facility, generating steam and electricity through on-site turbines, to be utilized in the paper production.

“**Bruck Conversion Facility**” means any Financial Indebtedness incurred by Norske Skog Bruck GmbH and/or its Subsidiary owning the Bruck PM3 machine, provided by recognized banks, financial institutions and/or export credit agencies, up to an amount of EUR 70,000,000, for the purpose of funding the conversion of the PM3 machine from paper and newsprint production to containerboard production at the Bruck facility.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and which is a TARGET Day.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Cebina Business**” means the businesses relating to the Group’s nanocellulose derivatives and bio composites, including the products marketed under the name CEBINA and CEBICO.

“**Change of Control Event**” means any person or group of persons acting in concert acquires Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Distribution**” means any dividend payment, repurchase of shares or making of loans or other distributions by a person to its shareholders.

“**EBITDA**” means earnings before interest expenses, taxes, depreciation and amortization for the Relevant Period after excluding any restructuring costs of a one-off non-recurring, extraordinary or exceptional nature in aggregate not exceeding 10 per cent. of EBITDA for any Relevant Period (calculated without any cap on such restructuring costs).

“**Enforcement Proceeds**” has the meaning given to it in Clause 2.6 (*Transaction Security*).

“**Escrow Account**” means an account denominated in EUR in the name of the Issuer, blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Equity De-Listing Event**” means an event where the shares in the Issuer ceases to be listed on any Exchange.

“**Equity Ratio**” means the ratio of Book Equity to Total Assets.

“Exchange” means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

“Existing Bonds” means the EUR 125 million Senior Secured Callable Bonds with ISIN NO 0010856123 maturing 14 June 2022.

“Factoring Facility” means the EUR 40,000,000 factoring facility provided by Credit Agricole Leasing & Factoring to Norske Skog Golbey SAS, or any replacement factoring facility provided the total outstanding amount of such replacement facility does not exceed EUR 40,000,000.

“Finance Documents” means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement or and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Finance Lease” means any lease or hire purchase contract entered into by a Group Company which would have been treated as a finance or capital lease for accounting purposes in accordance with the Accounting Standard (as applicable on the Issue Date).

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means the making or granting of any loans, granting of any credit or giving of any guarantee or indemnity to or for the benefit of any person.

“First Call Date” means the Interest Payment Date falling in March 2024.

“First Call Price” means a price equal to 102.20 per cent. of the Nominal Amount.

“GAAP” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“Golbey Bank Guarantee Security” means a first ranking immovable hypothec on Norske Skog Golbey SAS’ real property in the amount of EUR 13,000,000, granted in favour of Caisse d’Epargne as security for a bank guarantee in favour of energy supplier Exeltium.

“Golbey Conversion Facility” means any Financial Indebtedness incurred by Norske Skog Golbey SAS and/or its Subsidiary owning the Golbey PM1 machine, provided by recognized banks, financial institutions and/or export credit agencies, up to an amount of EUR 200,000,000, for the purpose of funding the conversion of the PM1 machine from paper and newsprint production to containerboard production at the Golbey facility.

“Golbey Loans” means existing unsecured local loans to Norske Skog Golbey SAS in an amount of maximum EUR 13,600,000 or any refinancing thereof.

“Governmental Facility” means any credit facility provided by any governmental or government owned organization or institution (not being a commercial financial institution).

“**Governmental Security**” means Security provided in relation to any Governmental Facilities, in each case ranking after the Security established by the Transaction Security Documents.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**Guarantee**” means the unconditional Norwegian law guarantee and indemnity (Norwegian: “*selvskyldnerkausjon*”) issued by each of the Guarantors in respect of the Secured Obligations.

“**Guarantee Facility**” means any guarantee facility provided to any Obligor by an Issuing Bank under which the Issuing Bank provides a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument in respect of an underlying liability in the ordinary course of business of a Group Company.

“**Guarantor**” means each of:

- (a) Nornews A/S (Norway);
- (b) Norske Skog Skogn AS (Norway);
- (c) Norske Skog Saugbrugs AS (Norway); and
- (d) Norske Skog Industries Australia Ltd. (Australia).

“**Hedge Counterparty**” means one or more hedge counterparties under any Permitted Hedging.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Incurrence Test**” shall have the meaning ascribed to such term in Clause 13.16 (*Incurrence Test*).

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Intercompany Loan**” means any loan or credit made by any Group Company to any Obligor (other than the Issuer) where (a) the loan or credit is scheduled to be outstanding for at least 12 months and (b) the principal amount thereof is at least EUR 2,000,000 (or the equivalent amount in another currency), provided that no Financial Indebtedness arising under any cash pooling arrangement shall constitute an Intercompany Loan.

“**Intercreditor Agreement**” means a Norwegian law governed intercreditor agreement to be entered into between, among others, the Issuer, each other debtor under the Debt Documents (as defined in the Intercreditor Agreement), certain intra-group lenders, the Security Agent, the Bond Trustee, the RCF Creditors and any Hedge Counterparties.

“**Interest Coverage Ratio**” means the ratio of EBITDA to Net Interest Costs.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 2 June 2021 and the last Interest Payment Date being the Maturity Date.

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the period between 2 March, 2 June, 2 September and 2 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Quotation Day**” means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

“**Interest Rate**” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for any quarter ending on a Quarter Date, drawn up according to the Accounting Standard, such accounts to include a profit and loss account, balance sheet, cash flow statement, management commentary and segment reporting commenting specifically on production volumes, revenues and gross operating margins from the relevant business segments.

“**ISIN**” means International Securities Identification Number.

“**Issue Date**” means 2 March 2021.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Issuer Intercompany Loan**” means any loan or credit made by any Group Company to the Issuer where (a) the loan or credit is scheduled to be outstanding for at least 12 months and (b) the principal amount thereof is at least EUR 2,000,000 (or the equivalent amount in another currency), which at the Issuer’s discretion is either:

- (a) fully subordinated to the claims under the Finance Documents pursuant to the Intercreditor Agreement; or
- (b) made subject to Transaction Security,

provided that no Financial Indebtedness arising under any cash pooling arrangement shall constitute an Issuer Intercompany Loan.

“**Issuing Bank**” means any financial institution providing a Guarantee Facility and having acceded to the Intercreditor Agreement.

“**Leverage Ratio**” means the ratio of NIBD to EBITDA.

“**Listing Failure Event**” means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 6 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“**Liquidity**” means the aggregate book value of the Group’s freely available and unrestricted cash and cash equivalents according to the Accounting Standard.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of the First Call Price of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,

where the present value shall be calculated by using a discount rate of 0.50 per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

“**Manager**” means each of DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, NO-0191 Oslo, Norway, and Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway.

“**Margin**” means 5.50 per cent.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer or any Obligor to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“**Maturity Date**” means 2 March 2026, adjusted according to the Business Day Convention.

“**Net Interest Cost**” means the aggregate gross cash interest costs of the Group related to its interest-bearing debt less the aggregate gross cash interest income of the Group for the Relevant Period.

“**Net Profit**” means the Group’s consolidated net profit (or loss) after tax in accordance with the Accounting Standard according to the latest annual Financial Statement.

“**NIBD**” means, on a consolidated basis for the Group, the aggregate consolidated interest bearing debt (excluding Bonds owned by any Group Company) less Liquidity.

“**Nominal Amount**” means nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2.

“**Obligor**” means the Issuer and any Guarantors.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by an Obligor under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Disposal**” means a sale, transfer or disposal of:

- (a) the Saugbrugs Development Properties (including, for the avoidance of doubt, conveyancing part of the title or sectioning of the Saugbrugs Development Properties);
- (b) the Skogn Development Properties (including, for the avoidance of doubt, conveyancing part of the title or sectioning of the Skogn Development Properties);
- (c) any shares in Porsnes Utvikling AS and its Subsidiaries;
- (d) the shares or assets of Norske Skog Tasman Ltd.;
- (e) the shares or assets of Nature’s Flame Ltd.;
- (f) any shares in Circa Group AS;
- (g) the Cebina Business; and
- (h) obsolete or redundant vehicles and equipment for cash,

in each case provided that such sale, transfer or disposal is carried out on arm’s length terms.

“**Permitted Distribution**” means any Distribution:

- (a) of up to 50 per cent. of Net Profit for the previous financial year subject to the Incurrence Test being met, or

- (b) made by way of a repurchase of own shares to cover its potential obligations under any bonus share programme for the Issuer's employees and board members (and provided no Event of Default has occurred or would result from such Distribution).

“Permitted Financial Indebtedness” means any Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) arising in relation to a Revolving Credit Facility, any Permitted Hedging and any Guarantee Facility, in each case subject to the Intercreditor Agreement;
- (c) arising in the ordinary course of business under any lease agreement that would have been classified as an operational lease prior to the implementation of IFRS 16;
- (d) arising in relation to the Saugbrugs Biogas Facility;
- (e) arising under the Golbey Loans;
- (f) arising in relation to the Golbey Conversion Facility;
- (g) arising in relation to the Bruck Boiler Facility;
- (h) arising in relation to the Bruck Conversion Facility;
- (i) arising under the Factoring Facility;
- (j) arising any Governmental Facilities with an amount outstanding not exceeding EUR 10,000,000 in aggregate for the Group at any time;
- (k) arising under any credit facility provided by any financial institution or by any governmental or government owned organization or institution for the purpose of financing investment projects in Norske Skog Saugbrugs AS and Norske Skog Skogn AS or any subsidiary thereto with an aggregate outstanding amount of up to EUR 30,000,000;
- (l) arising under any Finance Lease limited to an aggregate amount not exceeding EUR 12,000,000 (or the equivalent in other currencies) for the Group at any time;
- (m) that is unsecured and matures after the Maturity Date and is incurred by the Issuer no earlier than on the date falling 3 years after the Issue Date, however, always subject to compliance with the Incurrence Test;
- (n) arising under any Intercompany Loan, any Issuer Intercompany Loan, or any other loan made by any Group Company to another Group Company (including under any cash pooling arrangement);
- (o) incurred under any pension or tax liabilities in the ordinary course of business;
- (p) of any person acquired by a member of the Group after the Issue Date, where the Financial Indebtedness is incurred under arrangements in existence at the date of

acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, provided that:

- (i) such Financial Indebtedness is outstanding only for a period of 3 months following the date of that acquisition; or
- (ii) the Incurrence Test is met following the acquisition.
- (q) arising out of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (r) up until the release from the Escrow Account, the Existing Bonds;
- (s) incurred under any derivative transactions in connection with protection against or benefit from fluctuation in any rate or price on a non-speculative basis or in the ordinary course of business; and
- (t) any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of EUR 5,000,000 (or the equivalent in other currencies) at any time.

“Permitted Financial Support” means any Financial Support:

- (a) provided pursuant to the Finance Documents;
- (b) in relation to a Revolving Credit Facility, any Permitted Hedging and any Guarantee Facility, in each case subject to the Intercreditor Agreement;
- (c) provided for Financial Indebtedness incurred pursuant to paragraph (o) or (p) of Permitted Financial Indebtedness or Security created or permitted to exist pursuant to paragraph (l) of Permitted Security;
- (d) arising under any Intercompany Loan or any Issuer Intercompany Loan;
- (e) made, granted or given by a member of the Group to or for the obligations of another member of the Group (including under any cash pooling arrangement);
- (f) made, granted or given by a member of the Group to any third party in the ordinary course of business; and
- (g) not falling within any of the preceding sub-paragraphs, the aggregate outstanding principal amount of which does not at any time exceed, in the aggregate, EUR 5,000,000 (or the equivalent in other currencies).

“Permitted Hedging” means any obligation of any Group Company under a derivative transaction entered into with one or more Hedge Counterparties in connection with protection against or benefit from fluctuation in any rate or price on a non-speculative basis or in the ordinary course of business.

“Permitted Security” means any Security:

- (a) provided pursuant to the Finance Documents;
- (b) granted in relation to Permitted Financial Indebtedness pursuant to paragraphs (d), (f), (g), (h), (i), (j) and (k);
- (c) in relation to a Revolving Credit Facility, any Permitted Hedging and any Guarantee Facility, in each case subject to the Intercreditor Agreement;
- (d) in relation to the Statkraft Security;
- (e) in accounts receivable and over bank accounts in relation to any factoring facility provided to any Group Company;
- (f) arising under any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;
- (g) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;
- (h) arising under any right of set-off under contracts entered into by Group Companies in the ordinary course of their day-to-day business;
- (i) over or affecting any asset of any company which becomes a member of the Group after the Issue Date, where the Security is created prior to the date on which that company becomes a member of the Group, if:
 - (i) the Security was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (iii) (1) the Security is removed or discharged within 3 months of that company becoming a member of the Group, or (2) such Security is securing Financial Indebtedness which is permitted in accordance with paragraph (p) (ii) in the definition of Permitted Financial Indebtedness;
- (j) in relation to the Golbey Bank Guarantee Security;
- (k) up until the release from the Escrow Account, granted in relation to the Existing Bonds;
- (l) created or permitted to exist over the whole or any part of its right, title or interest in, or the assets of, any joint venture, partnership or similar venture (whether or not incorporated) to secure only such indebtedness as is created, incurred or assumed in connection with that joint venture, partnership or similar venture in favour of a

participant or participants therein (including any financier or supplier to that joint venture, partnership or similar venture); and

- (m) any other Security not permitted by the preceding paragraphs securing indebtedness the principal amount of which does not at any time exceed, in the aggregate, EUR 5,000,000 (or the equivalent in other currencies).

“Post-Disbursement Security” means the Security listed in paragraph (a)(ix) and (a)(x) of Clause 2.5 (*Transaction Security*).

“Pre-Disbursement Security” means the Security listed in paragraph (a)(iii) through (a)(viii) of Clause 2.5 (*Transaction Security*).

“Pre-Settlement Security” means the Security listed in paragraph (a)(i) and (a)(ii) of Clause 2.5 (*Transaction Security*).

“Put Option” shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event or an Equity De-Listing Event.

“Put Option Repayment Date” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Quarter Date” means each 31 March, 30 June, 30 September and 31 December.

“Quotation Business Day” means a day which is a Target Day.

“RCF Creditor” means a finance party under the RCF Finance Documents.

“RCF Finance Documents” means the agreement(s) for the Revolving Credit Facility and other related/ancillary documents.

“Reference Rate” shall mean EURIBOR (European Interbank Offered Rate) being:

- (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or,
- (b) if no screen rate is available for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or

- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

“Relevant Period” means a period of 12 consecutive calendar months ending on the relevant Quarter Date or, with respect to the making of an Incurrence Test, the most recent Quarter Date from the date that Incurrence Test is made.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“Repayment Date” means any date for payment of instalments in accordance with Clause 10.1 (*Redemption of Bonds*), any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“Revolving Credit Facility” means any revolving credit facility to be provided to any Obligor with an aggregate maximum commitment of EUR 31,000,000 (or the equivalent in any other currency).

“Rollover Bonds” means the Existing Bonds which shall be used as payment for the Temporary Bonds (in kind).

“Saugbrugs Biogas Facility” means the facilities by Sparebanken 1 Østfold Akershus and Halden Kommunale Pensjonskasse originally provided to Saugbrugs Bioenergi AS in a total aggregate principal amount of NOK 80,000,000 (or any refinancing thereof).

“Saugbrugs Development Properties” means any part of the Saugbrugs Mill Properties, which is not necessary for the operation of the Saugbrugs mill.

“Saugbrugs Mill Properties” means the real estate properties owned by Norske Skog Saugbrugs AS in Halden municipality with the following land numbers (*gnr.*) and title numbers (*bnr.*):

Land number (gnr.)	Title number (bnr.)
66	251, 300, 301, 302, 364, 411, 429-435, 437, 438, 439, 856
69	2, 21, 147
98	32, 556, 557, 641
99	1-3, 22, 23
149	103
156	16, 18, 19, 28
160	499, 503, 527

“**Secured Obligations**” means all present and future obligations and liabilities of the Obligors under the Finance Documents.

“**Secured Parties**” means the Security Agent, the Bond Trustee on behalf of itself and the Bondholders, any RCF Creditors, any Issuing Bank and any Hedge Counterparties.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“**Security Assets**” means the assets over which security is taken pursuant to the Transaction Security Documents.

“**Skogn Development Properties**” means any part of the Skogn Mill Property, which is not necessary for the operation of the Skogn mill.

“**Skogn Mill Property**” means the real estate property owned by Norske Skog Skogn AS in Levanger municipality with land number (gnr.) 34 and title number (bnr.) 3.

“**Statkraft Security**” means the pledge over machinery and plant and mortgages over the properties owned by each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS, in each case ranking after the Security established by the Transaction Security Documents.

“**Subsidiary**” means a company over which another company has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Temporary Bonds**” has the meaning given to it in Clause 2.2 (*Temporary Bonds*).

“**Total Assets**” means the aggregate book value (on a consolidated basis) of the Group’s total assets which are treated as assets in accordance with the Accounting Standard.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**VPS Account**” means a VPS account in the name of the Issuer in which the Rollover Bonds will be held until disbursement of the funds from the Escrow Account (upon which the Rollover Bonds will be deleted), blocked and pledged in favour of the Bond Trustee (on behalf of the Bondholders holding Temporary Bonds).

“**VPS Account Pledge**” means the first priority pledge over the Rollover Bonds held in the VPS Account.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;

- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of EUR 150,000,000.
- (b) The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (c) The Initial Nominal Amount of each Bond is EUR 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1.

2.2 Temporary Bonds

- (a) Any bonds issued with temporary ISIN NO 0010936073 pursuant to these Bond Terms and settled in kind by delivery of Rollover Bonds, shall constitute temporary bonds (the “**Temporary Bonds**”).
- (b) The Temporary Bonds will be merged with the Bonds in connection with disbursement of funds from the Escrow Account. The CSD and the Bond Trustee are authorised to carry out the aforesaid in the best practical way.

2.3 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.4 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds:

- (a) to repay the Existing Bonds; and
- (b) for general corporate purposes of the Group.

2.5 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.6 Transaction Security

- (a) The Bonds will be secured on a *pari passu* basis with the other Secured Parties in respect of the Security, subject to the super senior status of the Revolving Credit Facility, the Guarantee Facility and Permitted Hedging. The RCF Creditors, the Issuing Banks and the Hedge Counterparties will receive (i) the proceeds from any enforcement of the Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event (collectively, the “**Enforcement Proceeds**”) prior to the Bondholders (but otherwise rank *pari passu* in right of payment with the Bonds) in accordance with the waterfall provisions of the Intercreditor Agreement.
- (b) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority within the times agreed in Clause 6 (*Conditions for disbursement*):

Pre-Settlement Security

- (i) the Escrow Account Pledge; and
- (ii) The VPS Account Pledge.

Pre-Disbursement Security:

- (iii) the Guarantees;
- (iv) a pledge over all shares owned by any Group Company in Nornews A/S (Norway), Norske Skog Skogn AS (Norway) and Norske Skog Saugbrugs AS (Norway);
- (v) an assignment over any Intercompany Loans;
- (vi) mortgages over the Skogn Mill Property and the Saugbrugs Mill Properties owned by Norske Skog Skogn AS and Norske Skog Saugbrugs AS, respectively;
- (vii) a pledge over machinery and plant (Norwegian: *Driftstilbehørspan*) of each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS; and

- (viii) a security interest by operation of law in any insurance taken out in respect of the property of each of the mills owned by Group Companies incorporated in Norway.

Post-Disbursement Security:

- (ix) an assignment over any future Intercompany Loans; and
 - (x) any required assignment over any future Issuer Intercompany Loans.
- (c) Any Post-Disbursement Security over any Intercompany Loan or Issuer Intercompany Loan shall be established no later than 20 Business Days after it is incurred.
 - (d) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
 - (e) The pledge over machinery and plant and mortgages over the properties owned by each of Norske Skog Skogn AS and Norske Skog Saugbrugs AS shall each be limited to an amount of EUR 205,000,000 in order to facilitate the second ranking Statkraft Security.
 - (f) The Pre-Disbursement Security and the Post-Disbursement Security (but not the Pre-Settlement Security) shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement. The Bond Trustee will, to the extent permitted by applicable law, act as Security Agent in respect of the Pre-Disbursement Security and the Post-Disbursement Security and any other security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties).
 - (g) The Bond Trustee (in its capacity as Security Agent) shall pursuant to the terms of the Intercreditor Agreement:
 - (i) release any Guarantees and Security over shares or assets which are sold or otherwise disposed of:
 - (A) in any merger, de-merger or disposal permitted in compliance with Clauses 13.6 (*Mergers and de-mergers*) or 13.7 (*Disposals*); or
 - (B) following enforcement or insolvency.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 6 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the issuance of the Bonds on the Issue Date (net of legal costs, fees of the Manager and the Bond Trustee and any other agreed costs and expenses) to the Escrow Account and transfer of the Rollover Bonds (delivered as payment in-kind for new Bonds) to the VPS Account will be subject to the receipt by the Bond Trustee of the following documents, in form and content satisfactory to the Bond Trustee:
- (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vi) the VPS Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vii) copies of the Issuer's latest Financial Reports (if any);
 - (viii) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (ix) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (x) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);

- (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xii) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
 - (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The release of net proceeds from the Bonds (on the Escrow Account) in accordance with the purpose of the Bonds, and the discharge of Existing Bonds (at the VPS Account) shall be subject to the Bond Trustee having received or being satisfied that it will receive (in accordance with a closing procedure to be agreed with the Bond Trustee and the Issuer) each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
 - (ii) in respect of each Guarantor and any other provider of Transaction Security under any Transaction Security Document:
 - (A) copies of all necessary corporate resolutions to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on its behalf; and
 - (C) copies of its articles of association and of a full extract from the relevant company register evidencing that it is validly existing;
 - (iii) the Pre-Disbursement Security, duly executed by all parties thereto and evidence of the establishment and perfection of the Pre-Disbursement Security;
 - (iv) statement from the Issuer confirming that no Financial Indebtedness, Financial Support or Security which would not constitute Permitted Financial Indebtedness, Permitted Financial Support or Permitted Security (respectively) exists within the Group;
 - (v) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Guarantors and the legality, validity and enforceability of the Finance Documents);
 - (vi) confirmation from the Issuer that no Event of Default has occurred and is continuing or will result from the release of funds from the Escrow Account; and
 - (vii) any other Finance Documents duly signed by all parties thereto.

- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 above.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms; and
- (b) at the Issue Date.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

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.

10. REDEMPTION AND REPURCHASE OF BONDS

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 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or any part of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in March 2025 at the First Call Price;

- (iii) the Interest Payment Date in March 2025 to, but not including, the Interest Payment Date in September 2025 at a price equal to 101.10 per cent. of the Nominal Amount for each redeemed Bond; and
 - (iv) the Interest Payment Date in September 2025 to, but not including, the Maturity Date at a price equal to 100.55 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
 - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
 - (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (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 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business 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.

11. PURCHASE AND TRANSFER OF BONDS**11.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold but not discharged in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS**12.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer,

certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.15 (*Financial Covenants*) as at such date.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Listing*) or (ii) to inform of such Listing Failure Event, only default interest in accordance with Clause 8.2 paragraph (c) will accrue as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time.

13.2 Pari passu ranking

The Issuer shall ensure that its obligations under the Bond Terms and any other Finance Document to which it is party shall at all times rank at least *pari passu* as set out in Clause 2.4 (*Status of the Bonds*).

13.3 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

13.4 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

13.5 Corporate status

The Issuer shall not change its type of organization or jurisdiction of incorporation. No Guarantor shall change its type of organization or jurisdiction of incorporation if such change would have a Material Adverse Effect.

13.6 Mergers and de-mergers

Except for Permitted Disposals, the Issuer shall not, and shall procure that no other Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger;

if such transaction would have a Material Adverse Effect.

13.7 Disposals

Except for Permitted Disposals, the Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of (a) any shares in any Guarantors or (b) all or a material part of its assets or operations to any person not being a Group Company, unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect.

13.8 Arm's length transactions

The Issuer shall, and shall procure that all other Group Companies will, conduct all transactions with any Affiliate on an arm's length basis.

13.9 Insurances

The Issuer shall, and shall procure that each other Group Company will maintain with reputable insurance companies, funds or underwriters, insurances or captive arrangements with respect to its mills, factories, equipment and business against such liabilities, casualties and contingencies as are consistent with prudent business practice.

13.10 Dividends

Other than any Permitted Distribution, the Issuer may not declare or make any Distributions.

13.11 Financial Indebtedness

Other than any Permitted Financial Indebtedness, the Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any Financial Indebtedness.

13.12 Negative pledge

Other than any Permitted Security, the Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its respective assets. Except pursuant to the Transaction Security Documents, the Statkraft Security and Governmental Security, no additional security shall be established over the Security Assets.

13.13 Financial Support

Other than any Permitted Financial Support, the Issuer shall not, and shall procure that no other Group Company will, make or grant any Financial Support.

13.14 Subsidiaries' Distributions

The Issuer shall not permit any other Group Company to create or permit to exist any contractual obligation or Security restricting the right of any Group Company to:

- (a) pay dividends or make other Distributions;
- (b) service any Financial Indebtedness to the Issuer;
- (c) make any loans to the Issuer; or
- (d) transfer any of its assets and properties to the Issuer,

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with any of its obligations under these Bond Terms.

13.15 Financial covenants

The Issuer undertakes to comply with the following:

- (a) **Minimum Liquidity:** The Liquidity shall exceed NOK 100,000,000.
- (b) **Interest Coverage Ratio:** The Issuer shall ensure that the Group maintains an Interest Coverage Ratio of minimum 2.0:1.

- (c) **Equity Ratio:** The Issuer undertakes to ensure that the Group maintains an Equity Ratio in excess of 25 per cent.

The Issuer undertakes to comply with the minimum Liquidity at all times while compliance with the Interest Coverage Ratio and Equity Ratio shall be measured on each Quarter Date. Compliance with the Financial Covenants shall be certified by the Issuer by the delivery of a Compliance Certificate, with the delivery of each Annual Financial Statements or Interim Accounts. All financial covenants shall be calculated on a consolidated basis for the Group.

When calculating the Interest Coverage Ratio, EBITDA shall be calculated and adjusted in accordance with Clause 13.16 (*Incurrence Test*).

13.16 Incurrence Test

The Incurrence Test is met if:

- (a) the Leverage Ratio does not exceed:
- (i) with respect to the making of any Distribution, 1.50; and
 - (ii) with respect to incurring Financial Indebtedness for which compliance with the Incurrence Test is required, 3.00, and
- (b) no Event of Default is outstanding or will occur as a result of the transaction for which the Incurrence Test is applied.

13.17 Calculations

- (a) The calculation of the Leverage Ratio shall be made as per a testing date determined by the Issuer, falling no earlier than the last day of the period covered by the most recent Financial Report delivered to the Bond Trustee prior to the event relevant for the application of the Incurrence Test.
- (b) When calculating Leverage Ratio for the relevant Incurrence Test, the following pro forma adjustments shall apply:
- (i) the figures for EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that:
 - (A) entities, assets or operations acquired by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included, pro forma, for the entire Relevant Period; and
 - (B) entities, assets or operations disposed of or discontinued by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, pro forma, for the entire Relevant Period;
 - (ii) with respect to incurring unsecured Financial Indebtedness, the NIBD shall be adjusted to include the full commitment of new Financial Indebtedness (other than

any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness), but any cash balance resulting from the incurrence of such new Financial Indebtedness shall not reduce the NIBD; and

- (iii) with respect to Permitted Distributions, the Liquidity and NIBD shall be adjusted to exclude any amounts distributed through such Permitted Distribution.
- (c) The Issuer shall provide to the Bond Trustee a Compliance Certificate in connection with any Incurrence Test showing the relevant Leverage Ratio and calculations in reasonable detail.

13.18 Revolving Credit Facility and Permitted Hedging

- (a) The Issuer shall ensure that the aggregate maximum commitment under the Revolving Credit Facility does not at any time exceed EUR 31,000,000 (or the equivalent amount in any other currency) and that any amounts borrowed thereunder are applied towards general corporate and working capital purposes of the Group.
- (b) The Revolving Credit Facility shall rank in priority *pari passu* with the Bonds but will have super senior status upon an enforcement of the Security Documents as described in Clause 2.6 (a).
- (c) All amounts outstanding under the RCF Finance Documents, any Guarantee Facility and any Permitted Hedging shall be secured by the same assets as covered by the Pre-Disbursement Security to be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement (pursuant to which it shall have super senior status with respect to any Enforcement Proceeds).

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being

remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (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); or
- (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),

provided however that (A) the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 10,000,000 (or the equivalent thereof in any other currency) and (B) that paragraphs (i) and (iv) above shall not apply to any breach of any financial maintenance covenants in any agreement for Financial Indebtedness (for the avoidance of doubt, paragraph (i) above shall apply to a payment default in any agreement for Financial Indebtedness resulting from a breach of any financial maintenance covenants).

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or

- (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
- (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice);

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).

- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a

decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused

by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.

- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders.

The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.

- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required

documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's

written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.

- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and

- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

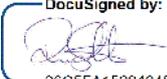
- (a) to commence proceedings against the Issuer or any other Obligor or any of its their respective assets in any court in any jurisdiction; and

- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

<p>The Issuer:</p> <p>Norske Skog ASA</p> <p>DocuSigned by: 96C5FA152942459.....</p> <p>By: Rune Sollie</p> <p>Position: CFO</p>	<p>As Bond Trustee and Security Agent:</p> <p>Nordic Trustee AS</p> <p>.....</p> <p>By:</p> <p>Position:</p>
---	--

These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

<p>The Issuer:</p> <p>Norske Skog ASA</p> <p>.....</p> <p>By:</p> <p>Position:</p>	<p>As Bond Trustee and Security Agent:</p> <p>Nordic Trustee AS</p> <p></p> <p>.....</p> <p>By: Vivian Trøsch</p> <p>Position: Director, Corporate Bond & Loan Transactions</p>
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**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

**Norske Skog ASA FRN senior secured EUR 150,000,000 callable bonds 2021/2026 ISIN NO
0010936065**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause [●] of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest [Annual Financial Statements] / [Interim Accounts] are enclosed.

The financial covenants set out in Clause 13.15 (*Financial Covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.

[Leverage Ratio including EBITDA figures to be included if Incurrence Test is relevant.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Norske Skog ASA

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

Norske Skog ASA FRN senior secured EUR 150,000,000 callable bonds 2021/2026 ISIN NO 0010936065

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

Norske Skog ASA

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

Appendix 2: Guarantee Agreement

GUARANTEE AGREEMENT

Dated 12 March 2021

between

The Companies
listed in Schedule 1
as Guarantors

and

Nordic Trustee AS
as Security Agent

WIKBORG REIN

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THIS AGREEMENT (the "**Agreement**") is dated 12 March 2021 and made between:

- (1) **THE COMPANIES** listed in Schedule 1 (*The Guarantors*) as guarantors (together, the "**Guarantors**"); and
- (2) **NORDIC TRUSTEE AS** as security agent for the Secured Parties (the "**Security Agent**").

WHEREAS:

- (A) pursuant to the bond terms dated 26 February 2021 (the "**Bond Terms**") entered into between Norske Skog ASA as issuer and the Security Agent as bond trustee, Norske Skog ASA has issued a series of bonds in the aggregate amount of EUR 150,000,000 initially split into Bonds with ISIN NO 0010936065 and Temporary Bonds with ISIN NO 0010936073, which shall be merged with the Bonds, pursuant to the terms of the Bond Terms; and
- (B) as security for the Secured Obligations, the Guarantors have agreed to procure the guarantees set out in this Agreement to be granted in favour of the Security Agent for the benefit of the Secured Parties.

IT IS AGREED as follows:

1. **DEFINITIONS, INTERPRETATION AND MISCELLANEOUS**

1.1 **Definitions**

In this Agreement, defined or capitalised terms shall (unless otherwise set out herein or required by the context) have the meaning ascribed to them in the Intercreditor Agreement (as defined below). In this Agreement:

"**Australian Guarantor**" means each Guarantor that is incorporated in Australia.

"**Guarantee**" means the guarantee, undertaking and indemnity (Norwegian: *selvskyldnerkausjon*) created under this Agreement.

"**Intercreditor Agreement**" means the intercreditor agreement dated 12 March 2021, entered into between, among others, Norske Skog ASA and the Security Agent.

"**Security Period**" means the period from and including the date of this Agreement to and including the Final Discharge Date.

1.2 **Construction**

Clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments).

1.3 **Miscellaneous**

Each Guarantor has been informed of the other security and guarantees granted or to be granted in connection with the Debt Documents.

2. **GUARANTEE AND INDEMNITY**

2.1 **Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Secured Party the due and punctual performance of all the Secured Obligations (including, for the avoidance of doubt, any interest and default interest accrued thereon at any time) by any member of the Group and by each Debtor to any Secured Party under the Debt Documents;
- (b) undertakes with each Secured Party that whenever any member of the Group or any Debtor does not pay to any Secured Party any amount when due under or in connection with any Debt Documents (or anything which would have been due if the Debt Document or the amount was enforceable, valid and not illegal), that Guarantor shall immediately on demand pay that amount as if it was the principal obligor (Norwegian: *selvskyldnergarantist*); and
- (c) agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of any member of the Group or any Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it to any Secured Party under any Debt Documents on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of a guarantee.

Each of paragraphs (a), (b) and (c) is a separate obligation. None is limited by reference to the other.

2.2 **Limitations**

- (a) The liability of each Guarantor under this Agreement shall be limited to EUR 434,400,000 (or its equivalent in other currencies) plus the amount of any interest, commission, default interest, fees, costs and expenses accrued in respect thereof.
- (b) Notwithstanding any other provision in this Agreement, the Guarantee:
 - (i) with respect to any Guarantor incorporated in Norway, does not apply to any liability to the extent it would result in the Guarantee constituting unlawful financial assistance within the meaning of Sections 8-7 or 8-10 of the Norwegian Companies Act of 13 June 1997 no. 44. For the avoidance of doubt, the Guarantee shall apply to any liability to the fullest extent permitted by those provisions; and

- (ii) with respect to any Guarantor incorporated in Australia, does not apply to any liability to the extent it would result in the Guarantee contravening Chapter 2E (related parties) or Part 2J.3 (financial assistance) of the Corporations Act 2001 of Australia.

3. REPRESENTATIONS AND WARRANTIES

3.1 Guarantors

As at the date of this Agreement, each Guarantor makes the following representations and warranties:

- (a) it is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted;
- (b) the entry into and performance by it of this Agreement and the transactions contemplated hereby, do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or any of its assets;
- (c) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated hereby; and
- (d) subject to matters which are usually set out as qualifications or reservations as to matters of law of general application in legal opinions, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

4. UNDERTAKINGS

No Guarantor shall do, cause or permit to be done anything which will, or could reasonably be expected to, have a material adverse effect on the rights of the Secured Parties under this Agreement.

5. PAYMENTS AND DEMANDS

5.1 Payments

- (a) Any payments under this Agreement shall be made by the Guarantors to such account as the Security Agent may, on behalf of the relevant Secured Party, from time to time notify in writing.
- (b) The Security Agent shall act as agent for the Secured Parties in accordance with the Intercreditor Agreement.
- (c) Notwithstanding paragraph (b) above, each Secured Party shall be entitled to make, pursue and enforce claims arising under or in respect of this Agreement.

5.2 **Tax gross-up**

- (a) Each Guarantor shall make all payments to be made by it without any deduction or withholding for or on account of tax from a payment under any Debt Documents, unless such deduction or withholding is required by law.
- (b) Each Guarantor shall, if any tax is withheld in respect of any payment under any Debt Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Security Agent or the Secured Parties, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Security Agent, deliver to the Security Agent evidence that the required tax deduction or withholding has been made.

5.3 **Set-off and counterclaims**

All payments to be made by a Guarantor under the Debt Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.4 **Application of proceeds**

Amounts recovered in accordance with the provisions of this Agreement shall be applied in accordance with the provisions of the Intercreditor Agreement.

5.5 **Further assurance and power of attorney**

Each Guarantor shall promptly do all such acts and execute all such documents (including, without limitation, any transfer documents, notices or instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) to facilitate the realisation and/or enforcement of the Guarantee in accordance with the terms of this Agreement.

6. **DEFERRAL OF GUARANTORS' RIGHTS**

- (a) During the Security Period, and except as explicitly permitted by the Intercreditor Agreement, no Guarantor shall, without the prior written consent of the Security Agent, exercise any rights which it may have by reason of performance by it of any of its obligations under any of the Debt Documents:
 - (i) to be indemnified by a Debtor;
 - (ii) to claim any contribution from any other security provider and/or guarantor of any of the Secured Obligations;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of the Secured Obligations;
 - (v) to exercise any right of set-off against any Debtor;
 - (vi) to claim or prove as a creditor of any Debtor in competition with any Secured Party; and/or
 - (vii) in relation to an Australian Guarantor only, in any form of administration of an Debtor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process) prove for or claim, or exercise any vote or other rights in respect of, any indebtedness of any nature owed to it by the Debtor.
- (b) If a Guarantor receives any payment or distribution in relation to the rights described in paragraph (a) above, it shall, to the extent necessary to enable all of the Secured Obligations to be finally and fully satisfied, hold that amount separated from its other assets and promptly pay or distribute an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of this Agreement.
- (c) This Clause 6 shall be supplemental and without prejudice to the provisions set out in the Intercreditor Agreement.

7. LIMITATION ON LIABILITY

- (a) Neither the Security Agent nor any other Secured Party shall be liable for any loss, liability or expense arising from or in connection with:
- (i) any of them exercising any of its rights or powers under or in connection with this Agreement;
 - (ii) any act, default, omission or misconduct on the part of any delegate or representative on behalf of any of them; or
 - (iii) the timing of the exercise of any of their (or any of their delegates or representatives) powers or rights under or in connection with this Agreement,

except, in case of paragraphs (a)(ii) and (iii) above, in the case of gross negligence or wilful misconduct.

- (b) In no case shall the Security Agent or any Secured Party be liable or held responsible for any indirect damage, consequential loss or loss of profit.

8. **CONTINUING GUARANTEE AND OTHER MATTERS**

8.1 **Continuing guarantee**

The Guarantee is a continuing obligation and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

8.2 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Agreement will continue or be reinstated as if the discharge, release or arrangement had not occurred.

8.3 **Waiver of defences**

- (a) The obligations of each Guarantor under this Agreement will not be affected by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under this Agreement (without limitation and whether or not known to it or any Secured Party) including:
 - (i) any time, waiver or consent granted to, or composition with, any Debtor or other person;
 - (ii) the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
 - (v) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Debt Documents or any other document or security including, without limitation, any change in the purpose of,

- any extension or increase of any debts under any Debt Documents or other document or security;
- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Documents or any other document or security; or
 - (vii) any insolvency or similar proceedings.
- (b) Each Guarantor irrevocably waives any right that it would otherwise have to be notified of:
- (i) any security the giving of which was a precondition for the making of any utilisation under any of the Debt Documents, but which has not been validly granted or has lapsed;
 - (ii) any default, event of default or acceleration event (however described) under any of the Debt Documents and to be kept informed thereof;
 - (iii) any deferral, postponement or other forms of extensions granted to a Debtor or any other member of the Group in respect of any repayments, prepayments or payment to be made under any of the Debt Documents; and
 - (iv) a Debtor's or any other person's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter.
- (c) Each Guarantor hereby irrevocably waives all its rights under the principles expressed in the Norwegian Financial Agreements Act of 25 June 1999 no. 46, including (without limitation) the principles set out in Sections 62 through 74 of that act.

8.4 **Guarantor intent**

Without prejudice to the generality of Clause 8.3 (*Waiver of defences*), each Guarantor expressly confirms that it intends that the Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Debt Documents and/or any amount made available under any of the Debt Documents.

8.5 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party (or any trustee or agent on its behalf), to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Agreement.

8.6 **Additional security**

This Guarantee shall be in addition to, and not prejudice or affect, any other security or guarantee granted (now or subsequently) in respect of the Secured Obligations.

8.7 **Appropriations**

During the Security Period, the Security Agent and each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Agreement.

9. **MISCELLANEOUS**

9.1 **Notices**

The provisions of clause 22 (*Notices*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments). Any contact details of any party not set out in or provided pursuant to the Intercreditor Agreement shall be those set out on the signature page(s) of this Agreement in respect of that party (or any substitute contact details provided in writing by that party to the Security Agent).

9.2 **Assignment and transfer**

- (a) This Agreement shall be binding upon each Guarantor and its successors and shall enure for the benefit of the Security Agent and the other Secured Parties and any of their transferees and successors in title.
- (b) No Guarantor may assign or transfer any of its rights or obligations under this Agreement.
- (c) Subject to the provision of the Intercreditor Agreement, the Security Agent may assign and/or transfer any of its rights or obligations under this Agreement to any person without the consent of the Guarantors. Each Guarantor shall, immediately upon request by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

9.3 **Partial invalidity**

If any provision of this Agreement is for any reason held invalid, illegal or unenforceable in any respect, such illegality, invalidity or unenforceability will not affect any other provision of this Agreement.

9.4 **Remedies and waivers**

No failure or delay by the Security Agent in exercising any right, power or remedy vested in it under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right, power or remedy

preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

9.5 **Conflict**

In case of conflict between any term of this Agreement and any term of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

10. **GOVERNING LAW**

This Agreement is governed by Norwegian law.

11. **ENFORCEMENT**

11.1 **Jurisdiction**

(a) The courts of Norway, with Oslo district court (*Oslo tingrett*) as court of first instance, have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.

(b) This Clause 11.1 is for the benefit of the Secured Parties only. No Secured Party shall be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

11.2 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law, each Guarantor (other than a Guarantor incorporated in Norway):

(a) irrevocably appoints Norske Skog ASA, a company incorporated under the laws of Norway with company registration number 914 483 549, as its agent for service of process in relation to any proceedings before the Norwegian courts in connection with this Agreement and Norske Skog ASA accepts that appointment by its execution of this Agreement; and

(b) agrees that failure by a process agent to notify the relevant Debtor of the process will not invalidate the proceedings concerned.

SCHEDULE 1
THE GUARANTORS

	Name of Guarantor	Registration number (or equivalent, if any) and jurisdiction
1.	Norske Skog ASA	914 483 549, Norway
2.	Nornews A/S	930 229 482, Norway
3.	Norske Skog Skogn AS	996 732 673, Norway
4.	Norske Skog Saugbrugs AS	996 732 703, Norway
5.	Norske Skog Industries Australia Limited	ACN 003 902 985, Australia

SIGNATURES

THE GUARANTORS

Norske Skog ASA

DocuSigned by:

By:
96C5FA152942459...
Name: Rune Sollie
Title: CFO

Address: Sjølyst plass 2, 0278 Oslo,
Norway
E-mail: legalnotice@norskeskog.com
Attention: Chairman of the Board

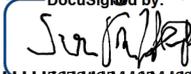
Nornews A/S

DocuSigned by:

By:
96C5FA152942459...
Name: Rune Sollie
Title: Authorised signatory

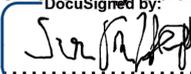
Address: Sjølyst plass 2, 0278 Oslo,
Norway
E-mail: legalnotice@norskeskog.com
Attention: Chairman of the Board

Norske Skog Skogn AS

DocuSigned by:

By:
E6B2ACBAA3BA493...
Name: Sven Ombudstvedt
Title: chairman

Address: Sjøvegen 108, 7620 Skogn,
Norway
E-mail: legalnotice@norskeskog.com
Attention: Finance Director

Norske Skog Saugbrugs AS

DocuSigned by:

By:
E6B2ACBAA3BA493...
Name: Sven Ombudstvedt
Title: chairman

Address: Tistedals gate 9-11, 1772
Halden, Norway
E-mail: legalnotice@norskeskog.com
Attention: Finance Director

NORSKE SKOG INDUSTRIES AUSTRALIA LIMITED ACN 003 902 985

DocuSigned by:

By:
E6B2ACBAA3BA493...
Name: Sven Ombudstvedt
Title: Director

Address: Suite 7.02,
Level 7, 465 Victoria Ave.,
Chatswood. NSW 2067
E-mail: eric.luck@norskeskog.com
Attention: Eric James Luck

DocuSigned by:

By:
96C5FA152942459...
Name: Rune Sollie
Title: Director / company secretary

THE SECURITY AGENT

Nordic Trustee AS



By:

Name: Vivian Trøsch

Title: Director, Corporate Bond & Loan
Transactions

THE PROCESS AGENT

We hereby accept the appointment as process agent for the Guarantors as set out in Clause 11.2 (*Service of process*) of this Agreement.

Norske Skog ASA

By: 
Name: Rune Sollie
Title: CFO