

*Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.*

**To the bondholders of:**

**ISIN: NO0011100935    Waldorf Production UK plc senior secured up to USD 367,165,625  
callable bond issue 2021/2025**

**ISIN: NO0013280206    Waldorf Production UK plc senior secured up to USD 367,165,625  
callable bond issue 2021/2025**

(collectively the “**Bonds**”)

Oslo, 28 May 2025

## **SUMMONS FOR A WRITTEN RESOLUTION**

### **1            INTRODUCTION**

Nordic Trustee AS (the “**Bond Trustee**”) acts as bond trustee for the bondholders (the “**Bondholders**”) of the above-mentioned Bonds issued by Waldorf Production UK plc as issuer (the “**Issuer**”) pursuant to the bond terms made between the Bond Trustee and the Issuer dated 29 September 2021 (as amended and restated from time to time, including most recently by waiver and amendment agreement dated 27 November 2024 and as further amended and/or restated from time to time, the “**Bond Terms**”) and the Tap Issue Addendums dated 17 July 2024 and 27 November 2024.

All capitalised terms used, but not defined, herein shall have the meaning assigned to them in the Bond Terms or the Explanatory Statement (as the case may be), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Terms.

*The information in this summons for a written resolution (the “**Summons**”) regarding the Issuer, market conditions and described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this Summons in its entirety.*

### **2            BACKGROUND**

Reference is made to the Bonds and to the corporate and financial update (the “**Press Release**”) made available to the Bondholders on 6 February 2025 that the Issuer had, on 5 February 2025, entered into a lock-up agreement (the “**Lock-Up Agreement**”) and issued a practice statement letter in connection with a proposed financial restructuring of the Group being implemented by way of a restructuring plan under Part 26A of the UK Companies Act 2006 (the “**Restructuring**” and the process by which the Restructuring is intended to be implemented, the “**Restructuring Plan**”). On 7 March 2025, the Issuer issued an explanatory statement in relation to the Restructuring Plan (the “**Explanatory Statement**”), which was made available to Bondholders immediately thereafter in the VDR (as defined in the notice

to the Bondholders dated 6 February 2025 made available on [www.stamdata.com](http://www.stamdata.com) and sent to the Bondholders directly registered in the CSD, hereinafter referred to as the “**Plan Website**”) in folder 3.1. On or about the date of these Summons, the Issuer issued a supplementary explanatory statement (the “**Supplemental Explanatory Statement**”) in relation to the Restructuring Plan which was made available to the Bondholders on the Plan Website in folder 3.1. All Bondholders can get access to the Plan Website by invitation, which can be requested by sending an email request to the Bond Trustee ([laerum@nordictrustee.com](mailto:laerum@nordictrustee.com) with [wildcat@bahr.no](mailto:wildcat@bahr.no) in copy), such request to include the email address of each person access is requested for, together with proof of ownership/holdings acceptable to the Bond Trustee.

The Bond Trustee has been informed that the terms of the Restructuring have been negotiated with, and received support from, a steering committee of certain holders of the Bonds (the “**SteerCo**”) holding approximately 84% of the Voting Bonds, who have entered into the Lock-Up Agreement. Since the Press Release, other Bondholders representing approximately 11.48% of the Voting Bonds have acceded to the Lock-Up Agreement (together with the SteerCo, the “**Locked-up Bondholders**”) and expressed their support for the Restructuring as implemented through the Restructuring Plan. The Locked-up Bondholders have undertaken to vote in favour of these Summons, meaning that approximately 95.85% of the Voting Bonds have expressed their support the Proposal (as defined below). The Locked-up Bondholders have also undertaken to provide their completed Bondholder Plan Creditor Letter and Voting and Proxy Form to the Bond Trustee in accordance with the Explanatory Statement, and in any event, by no later than 5.00pm on 6 June 2025.

Bondholders are encouraged to read the Plan Document, Explanatory Statement and the Supplemental Explanatory Statement for details of the Restructuring Plan. The Plan Document, the Explanatory Statement, the Supplemental Explanatory Statement and all other relevant associated documentation can be found on the Plan Website.

Reference is further made to the bonds issued by Waldorf Energy Finance plc as issuer (“**WEF**”) pursuant to the bond terms originally dated 1 March 2023 (as amended and restated from time to time, the “**WEF Bond Terms**” and the bonds issued thereunder being the “**WEF Bonds**”) and the corporate and financial update made available by WEF to the bondholders under the WEF Bonds on 28 May 2025 that Waldorf CNS (I) Limited (“**WCNSI**”), a direct subsidiary of Waldorf Production Limited and a guarantor in respect of the WEF Bonds, had on 28 May 2025, entered into a lock-up agreement and issued a practice statement letter in connection with a proposed financial restructuring of its liabilities, including the liabilities under the WEF Bonds, being implemented by way of a restructuring plan under Part 26A of the UK Companies Act 2006 (the “**WEF Restructuring**”).

### **Amendments to the Bond Terms**

The Restructuring contemplates that several amendments will be made to the Bond Terms. Capitalised terms used but not defined below are defined in the Amended and Restated Bond Terms appended hereto as Appendix 2. The list below is for information purposes only, and in case of conflict, the Amended and Restated Bond Terms will prevail. The amendments include:

- (a) Maturity Date: The maturity date of the Bonds shall be extended, such that they will mature on 31 May 2027.
- (b) Interest: Cash-pay interest shall continue to be payable at a rate of 13 per cent. per annum being the current rate of interest under the Bond Terms), quarterly in arrears.
- (c) Guarantees, security and ranking: The Super Senior Bonds and the Senior Bonds (as defined in the Amended and Restated Bond Terms) will maintain their current security and guarantee position (with such guarantees to be reconfirmed, and security to be supplemented and reconfirmed, as reasonably required pursuant to the amendment and restatement agreement implementing the Amended and Restated Bond Terms).
- (d) Covenants: The minimum liquidity covenant shall be amended so that the aggregate amount of any cash required to be held by the Issuer and its subsidiaries shall be no less than USD 10,000,000 on the test date (being the final day of each calendar month).
- (e) Sales and Governance Covenant: A covenant shall apply, requiring the Issuer to comply with the SPG Agreement and any breach of such agreement shall be an Event of Default under the Amended and Restated Bond Terms (unless remedied within twenty (20) Business Days).
- (f) Financial Adviser: The Bondholders may instruct the Bond Trustee to retain, at the sole cost of the Issuer, Daiwa Corporate Advisory Limited (or such other financial adviser as is approved by a simple majority of Bondholders in accordance with the Bondholders and promptly notified to the Issuer) to advise the Bondholders on an ongoing basis. The Bond Trustee and the Issuer shall enter into appropriate engagement terms and a fee letter (respectively) with such financial adviser.
- (g) Cash Sweep: A new mandatory early redemption mechanic shall be introduced whereby Excess Cash, being any cash held by the Issuer and its Subsidiaries in their bank accounts in excess of the amount equal to the sum of USD 30,000,000 plus:
  - (i) the Decommissioning Allowance; and
  - (ii) the EPL Allowance,

in each case, as at the end of the relevant quarter, shall be applied within ten (10) Business Days in mandatory early redemption of the Bonds (each, a “**Redemption Date**”) at the Cash Sweep Call Price (as defined in the Amended and Restated Bond Terms).
- (h) Decommissioning Security: Following the payment of all Decommissioning Security in respect of any relevant year, any cash retained as part of the Decommissioning Allowance and not applied for Decommissioning Security in respect of such year shall be applied to redeem the Bonds at the Cash Sweep Call Price (as defined in the Amended and Restated Bond Terms) at the next Redemption Date, in addition to any amounts that would otherwise have constituted

Excess Cash on such Redemption Date had the full amount of the Decommissioning Allowance been applied for Decommissioning Security for the relevant year.

- (i) EPL Allowance: Following final confirmation of Confirmed EPL, any cash retained as part of the EPL Allowance in excess of the Confirmed EPL shall be applied to redeem the Bonds at the Cash Sweep Call Price (as defined in the Amended and Restated Bond Terms) at the next Redemption Date, in addition to any amounts that would otherwise have constituted Excess Cash on such Redemption Date had the full amount of the EPL Allowance been applied for the payment of accrued EPL due and payable when required.
- (j) In the event that any cash retained as part of the Decommissioning Allowance or the EPL Allowance is applied for any purpose other than Decommissioning or payment of Confirmed EPL (any amount applied in this way being an “**Applied Amount**”), the Decommissioning Allowance or EPL Allowance shall be reduced by the applicable Applied Amount. For the avoidance of doubt, the Issuer shall not be entitled to reduce the amount of Excess Cash used for mandatory redemption of the Bonds that would otherwise have been applied for such purpose at any Redemption Date had the Applied Amount not been utilised.
- (k) Call premium: The existing call premium mechanic shall be replaced with a new call premium mechanic whereby if in any quarter the Production-Weighted Average Hedge Price exceeds the Hurdle Rate, on the next Redemption Date, the Issuer shall apply the Excess Cash available to redeem the Bonds at an additional 1 per cent. of the nominal value of the Bonds for every USD 1bbl. the Production-Weighted Average Hedge Price exceeds the Hurdle Rate (rounded down to the nearest whole dollar figure), up to the maximum hurdle rate, being USD 90bbl.
- (l) Super Priority Debt Basket: The Issuer shall be entitled to incur up to USD 10,000,000 of indebtedness, through a tap issuance of the Bonds, ranking in priority to the Bonds with respect both to payment and to guarantees and security (“**Super Priority Debt**”), subject to the following conditions:
  - (i) Super Priority Debt may be funded in full only by a Bondholder or Bondholders;
  - (ii) the aggregate fees payable to such funder (the “**Initial Funder**”) shall not exceed a market-standard level for a financing transaction of the type in comparable circumstances;
  - (iii) following the initial funding, offer-out mechanics shall apply to enable each other Bondholder to elect within ten (10) Business Days take up their share of the Super Priority Debt pro rata to its holdings of Bonds, with no ability to oversubscribe;
  - (iv) all fees and coupon payable until the transfer of part or all of the Super Priority Debt to other participating Bondholders shall be retained by the Initial Funder; and



- (v) the terms of the Super Priority Debt basket may be amended by a simple majority of Bondholders.

Bondholders should review the Explanatory Statement in full to obtain greater detail on the Amended and Restated Bond Terms and the Restructuring as a whole.

### **Waivers and consents in respect of the Bond Terms**

The Issuer understands that WCNSI will be unable to repay the remaining balance of the Intra-Group Loan by 30 June 2025. The WEF Restructuring therefore contemplates an amendment to the terms of the WPUK Loan to extend the maturity until three months prior to the maturity of the Super Senior Bonds. Pursuant to the Issuer Voting Undertaking, the Issuer has undertaken not to amend or waive the terms of the WPUK Loan to the detriment of other Bondholders holding Super Senior Bonds. The Issuer considers that the WEF Restructuring ultimately improves the prospect of the Intra-Group Loan being repaid in full in the future.

The audited annual financial statements for the Issuer for the years ended 31 December 2023 and 31 December 2024 are not yet available. The Issuer is taking all reasonable steps to complete the processes required to enable the issuance of its financial statements as soon as possible.

The Issuer therefore proposes that the Bondholders:

- notwithstanding the obligations of the Issuer under the Issuer Voting Undertaking, consent to an amendment of the terms of the WPUK Loan to extend the maturity until three months prior to the maturity of the Super Senior Bonds;
- waive any Event of Default caused by WCNSI failing to repay the WPUK Loan by its original termination date (being 30 June 2025), including an Event of Default under clause 14.1(b) of the WPUK Bond Terms (*Events of Default – Breach of other obligations*); and
- waive any obligation under the Finance Documents to deliver:
  - audited financial statements for the year ended 2023 provided that the Issuer shall comply with any such obligations as soon as reasonably practicable and in any event by 31 December 2025;
  - audited financial statements for the year ended 2024 provided that the Issuer shall comply with any such obligations as soon as reasonably practicable and in any event by 30 June 2026,

(together, the “**Waivers and Consent**”).

### **Actions and role of the Bond Trustee**

Under Clauses 3.2 (*Limitation of rights of action*) and 16.1 (*Power to represent the Bondholders*) of the Bond Terms, the Bond Trustee has the exclusive power to represent the Bondholders in connection with

the Restructuring Plan, and no Bondholders have any right to exercise individual actions under the Bond Terms. However, as a matter of English law, the Bondholders have been granted certain contingent and limited rights directly against the Issuer in the event of non-payment of the Bonds at maturity pursuant to a deed poll (the “**Deed Poll**”). The Bondholders will therefore have the ability to vote individually on the Restructuring Plan as contingent creditors of the Issuer and the Bond Trustee has undertaken (i) not to exercise any rights to vote in connection with the Restructuring Plan; and (ii) to be bound by the terms of the Restructuring Plan in the event that it is sanctioned by the English Court and becomes effective (the “**Trustee Undertaking**”).

In order to formalise that the Bondholders will need to vote individually on the Restructuring Plan and on the basis of a written instruction of the original Participating Bondholders (under and as defined in the Lock-Up Agreement), holding approximately 84% of the Voting Bonds, contained in the Lock-Up Agreement, the Bond Trustee has executed and delivered (i) the Deed Poll and (ii) the Trustee Undertaking, both of which can be accessed in folders 1.5 and 1.6 on the Plan Website.

As contemplated under the Trustee Undertaking, the Bond Trustee will need to carry out certain actions in connection with the Restructuring and the Restructuring Plan. On the basis of the instructions contained in the Lock-Up Agreement from the Participating Bondholders (as defined therein), the Bond Trustee has carried out all such actions this far and which this Written Resolution seeks to ratify. The Bond Trustee further seeks instructions to enter into and perform the actions contemplated by the Implementation Documents (as defined in the Explanatory Statement), including providing the waivers contemplated by the Deed of Release (an agreed form of which is included on the Plan Website in folder ) and take all steps contemplated by the Plan Document (an agreed form of which is included on the Plan Website in folder 3.1). In particular, the Bond Trustee is seeking instruction to enter into the following documents:

- (a) an implementation deed in respect of the Restructuring Plan, to be entered into between, amongst others, the Issuer, the Guarantor, the Parent and the Bond Trustee, setting out the terms by which the Restructuring Plan will be implemented (if sanctioned) (the “**Implementation Deed**”);
- (b) a deed of release and waiver, to be entered into between, amongst others, the Issuer, the Guarantor, the Parent and the Bond Trustee, pursuant to which each party thereto shall waive, release and discharge certain liabilities and claims arising between 6 June 2024 and the date on which the Restructuring Plan becomes effective in accordance with the Implementation Deed (the “**Deed of Release**”); and
- (c) a sales protocol and governance agreement to be entered into between the Issuer, the Parent, Waldorf Holdco Limited and the Bond Trustee to set out agreed changes to governance, including the introduction of certain reserved matters, and the terms of a sale protocol in order to establish an agreed framework to facilitate a solvent sale of the Issuer following the date on which the Restructuring Plan becomes effective in accordance with the Implementation Deed (the “**SPG Agreement**”).

### **3 THE PROPOSAL**

Based on the above, the Issuer has requested the Bond Trustee to summon a Written Resolution pursuant to Clause 15.5 (*Written Resolutions*) to propose that the Bondholders resolve to approve the amendments, waivers and consents to and in respect of the Bond Terms triggered by the Restructuring on the terms set out in these Summons and the entry into certain other Implementation Documents required to implement the Restructuring, in each case substantially on the terms set out herein and otherwise with such further amendments as instructed in accordance with the Lock-Up Agreement, and otherwise resolve to approve the items listed below (the “**Proposal**”).

#### **3.1 Amendment to the Bond Terms and entry into other Implementation Documents**

The Bond Terms shall be amended substantially as set out in the markup attached to these Summons attached hereto as Appendix 2. The Bondholders authorise the Bond Trustee to accept such amendments as advised by its legal advisors based on instructions from a simple majority of the Bondholders, or as otherwise permitted by the terms of the Plan Document (provided the Bond Trustee may seek advice from its legal advisors on the validity of any proposed amendment at its own discretion).

The Bond Trustee shall take all steps as contemplated by the Plan Document (an agreed form of which is included on the Plan Website in folder 3.1).

The Bond Trustee shall enter into and perform each of (i) the Implementation Deed (an agreed form of which is included on the Plan Website in folder 3.1); (ii) the Deed of Release (an agreed form of which is included on the Plan Website in folder 3.1); (iii) all documents and steps as contemplated therein; and (iv) the SPG Agreement (an agreed form of which is included on the Plan Website in folder 3.1).

#### **3.2 Waivers and consents in respect of the Bond Terms**

It is proposed that the Bondholders approve the Waivers and Consent.

#### **3.3 Authority to consent to issue of new Bonds**

The Bond Trustee shall be authorised to consent to the issuance of new Bonds under each of ISIN NO0011100935 and NO0013280206 to settle the Early Bird Fee as defined in, contemplated by and calculated in accordance with the Lock-Up Agreement to the relevant Bondholders eligible for such Early Bird Fee.

#### **3.4 Ratification and authorisation of further actions**

The execution and delivery of the Deed Poll and the Trustee Undertaking by the Bond Trustee are hereby ratified and approved.

The Bond Trustee is authorised and instructed to do any and all things deemed reasonably required or necessary by the Bond Trustee to comply with the Trustee Undertaking, including to give effect to each of the “Undertakings” as defined therein (each as applicable), enter into any Implementation Documents reasonably required to implement the Restructuring (as agreed between the Issuer and the original Participating Bondholders (under and as defined in the Lock-Up Agreement) in accordance with the Lock-Up Agreement), or otherwise reasonably required to implement the Restructuring, and otherwise

carry out such actions and execute and deliver such documentation as it is advised by its legal advisors based on an instruction from a simple majority of the Bondholders in connection with the Restructuring or are otherwise contemplated to be taken by it pursuant to the terms of the Plan Document.

### **3.5 The Transactions**

By voting in favour of the Proposal, the Bondholders agree that the Bond Trustee shall be authorised and instructed to implement and effect the Proposal on terms substantially reflecting the terms set out herein and execute the Implementation Documents and all other documentation necessary or otherwise to implement or effectuate the Proposal on behalf of itself and/or the Bondholders (as applicable).

The Proposal shall take effect from the date on which it has been duly approved by the necessary 2/3 majority of Voting Bonds as per Clause 15.5 (*Written Resolutions*), however so that the amendments, waivers and consents to and in respect of the Bond Terms and the entry of the other Implementation Documents by the Bond Trustee shall be conditional on the Restructuring Plan being sanctioned by the English court and filing of the sanction order with Companies House. The Bond Trustee is authorized and instructed upon satisfaction of these conditions to effectuate the amendments, waivers and consents as set out in the Proposal. Should the Restructuring Plan not be sanctioned, then the Bond Terms will remain unchanged, and the Bond Trustee shall not be required to enter into any of the Implementation Documents.

The Bond Trustee shall further be authorised and instructed to take such other action and enter into such other documentation as required or reasonable to implement the Restructuring and to effectuate the Waivers and Consent on the terms substantially as set out in the Explanatory Statement, the Plan Document and the Implementation Deed.

## **4 EVALUATION OF THE PROPOSAL**

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. Each Bondholder should independently evaluate the Proposal and vote accordingly.

To the extent Bondholders have any queries relating to the Proposal they may direct such questions to the Bondholders' advisers:

### **DC Advisory**

Justin Holland, Managing Director; Brad Knudtson, Executive Director

Email: [uk-projectwildcat@dcadvisory.com](mailto:uk-projectwildcat@dcadvisory.com)

### **Milbank LLP**

Nick Dunstone, Partner; Ollie Winters, Associate

Email: [ndunstone@milbank.com](mailto:ndunstone@milbank.com); [owinters@milbank.com](mailto:owinters@milbank.com)

### **Advokatfirmaet BAHR AS**

Magnus Tønseth, Partner; Stian Winther, Advisor

Email: [wildcat@bahr.no](mailto:wildcat@bahr.no)

## 5 WRITTEN RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 15.5 (*Written Resolutions*). For the avoidance of doubt, no Bondholders' Meeting will be held.

It is proposed that the Bondholders resolve the following (the “**Proposed Resolution**”):

*“The Bondholders approve the Proposal as described in section 3 (The Proposal) of this Summons on the conditions set out herein.*

*The approval will take immediate effect upon the Proposal being resolved, provided that the amendments and waivers to and consents in respect of the Bond Terms and other Finance Documents and the entry of the other Implementation Documents by the Bond Trustee will not take effect until the Restructuring Plan is sanctioned by the English court and the sanction order is filed with Companies House. The Bond Trustee is hereby authorized to implement the Proposal and carry out other necessary work to implement the Proposal, including to prepare, negotiate, finalize and enter into all agreements necessary or otherwise reasonably required in connection with documenting the decisions made by way of this Written Resolution as well as carry out necessary completion work, including agreeing on necessary amendments and waivers to and consents in respect of the Bond Terms and other Finance Documents.”*

\* \* \* \*

**Voting Period:** The Voting Period shall expire on 13 June at 18:00 Oslo time. The Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority under the Bond Terms prior to the expiration of the Voting Period.

**How to vote:** A scan of a duly completed and signed voting form (attached hereto as Appendix 1), together with proof of ownership/holdings must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by e-mail to [mail@nordictrustee.com](mailto:mail@nordictrustee.com).

A Proposed Resolution will be passed if either: (a) Bondholders representing at least a 2/3 majority of the total number of Voting Bonds vote in favour of the relevant Proposed Resolution prior to the expiry of the Voting Period; or (b) (i) a quorum representing at least 50% of the total number of Voting Bonds submits a timely response to the Summons and (ii) the votes cast in favour of the relevant Proposed Resolution represent at least a 2/3 majority of the Voting Bonds that responded in a timely manner to the Summons.

If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the expiry of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in Clause 15.1 (*Authority of the Bondholders' Meetings*).

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 achieved.

If the above resolution is not adopted as proposed herein, the Bond Terms and other Finance Documents will remain unchanged.

Locked-up Bondholders are further reminded to submit their completed Bondholder Plan Creditor Letters and Voting and Proxy Form to the Bond Trustee in accordance with the Explanatory Statement by no later than 5.00pm on 6 June 2025.

Yours sincerely,  
Nordic Trustee AS



Lars Erik Lærum

Enclosed:

Appendix 1 – Voting form

Appendix 2 – Amended and Restated Bond Terms

## Appendix 1: Voting Form – Written Resolution

**ISIN: NO0011100935      WALDORF PRODUCTION UK PLC SENIOR SECURED UP  
TO USD 367,165,625 CALLABLE BOND ISSUE 2021/2025**

**ISIN: NO0013280206      WALDORF PRODUCTION UK PLC SENIOR SECURED UP  
TO USD 367,165,625 CALLABLE BOND ISSUE 2021/2025**

The undersigned holder or authorised person/entity, votes in the following manner to the Proposed Resolution as defined in the Notice of a Written Resolution dated 28 May 2025.

☐ **In favour** of the Proposed Resolution

☐ **Against** the Proposed Resolution

ISIN [ISIN NO0011100935] / [ISIN NO0013280206]	Amount of bonds owned
Custodian Name	Account number at Custodian
Company	Day time telephone number
	E-mail

Enclosed to this form is the complete printout from our custodian/VPS<sup>1</sup>, verifying our bondholding in the bond issue as of \_\_\_\_\_ 2025.

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purpose may obtain information regarding our holding of Bonds on the above stated account in the securities register VPS.

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Authorised signature

***Return by mail:***  
*Nordic Trustee AS*  
*PO Box 1470 Vika*  
*N-0116 Oslo*  
*Norway*

Telephone: +47 22 87 94 00  
E-mail: mail@nordictrustee.com

<sup>1</sup> If the Bonds are held in custody other than in the VPS, evidence provided from the custodian confirming that (i) you are the owner of the Bonds, (ii) in which account number the Bonds are held, and (iii) the amount of Bonds owned.



## **Appendix 2: Amended and Restated Bond Terms**

**FINAL DRAFT**

**AMENDED AND RESTATED BOND TERMS**

**WALDORF PRODUCTION UK PLC**

**SENIOR SECURED UP TO USD ~~358,125,000~~ ~~CALLABLE~~ 377,165,625 BOND ISSUE**  
**2021/~~2025~~2027**

**ISIN NO0011100935**

**ISIN NO0013280206**

## Contents

Clause	Page
1. INTERPRETATION .....	<del>43</del> <u>43</u>
2. THE BONDS .....	<del>26</del> <u>25</u>
3. THE BONDHOLDERS .....	<del>31</del> <u>29</u>
4. ADMISSION TO LISTING .....	<del>32</del> <u>30</u>
5. REGISTRATION OF THE BONDS .....	<del>32</del> <u>30</u>
6. CONDITIONS FOR DISBURSEMENT .....	<del>32</del> <u>31</u>
7. REPRESENTATIONS AND WARRANTIES .....	<del>38</del> <u>36</u>
8. PAYMENTS IN RESPECT OF THE BONDS .....	<del>40</del> <u>38</u>
9. INTEREST .....	<del>42</del> <u>40</u>
10. REDEMPTION AND REPURCHASE OF BONDS .....	<del>43</del> <u>41</u>
11. PURCHASE AND TRANSFER OF BONDS .....	<del>45</del> <u>43</u>
12. INFORMATION UNDERTAKINGS .....	<del>45</del> <u>44</u>
13. GENERAL AND FINANCIAL UNDERTAKINGS .....	<del>48</del> <u>46</u>
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS .....	<del>56</del> <u>55</u>
15. BONDHOLDERS' DECISIONS .....	<del>60</del> <u>58</u>
16. THE BOND TRUSTEE .....	<del>64</del> <u>62</u>
17. AMENDMENTS AND WAIVERS .....	<del>69</del> <u>67</u>
18. MISCELLANEOUS .....	<del>69</del> <u>68</u>
19. GOVERNING LAW AND JURISDICTION .....	<del>72</del> <u>70</u>

ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

<b>AMENDED AND RESTATED BOND TERMS between</b>	
ISSUER:	Waldorf Production UK PLC, a company existing under the laws of England with registration number 05030838 and LEI-code 254900FUKD3GJRFOPD65; 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:	29 September 2021 and amended and restated on 1 July 2024 <a href="#">and [●] 2025</a>
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:

~~"2026 Bonds" means the Waldorf Energy Finance PLC 12.00% senior secured USD 200,000,000 bonds 2023/2026 with ISIN NO0012847674, NO0013255489 and NO0013255497.~~

"Accounting Standard" means GAAP.

"Acquisition" means the acquisition by the Issuer of all the shares in the Target (and thereby each of the Cairn Licences) on the terms of the Acquisition Documents.

"Acquisition Agreement" means:

- (a) the put and call option agreement dated 8 March 2021 between the Vendor and Waldorf Production Limited (being an indirect parent company of the Issuer);
- (b) the sale and purchase agreement to be made between the Vendor and Waldorf Production Limited pursuant to the terms of that put and call option agreement; and
- (c) the hive down agreement to be made between the Vendor and the Target pursuant to the terms of that put and call option agreement,

in each case, in respect of the Acquisition (and, in each case, as amended, restated and/or supplemented from time to time).

**"Acquisition Documents"** means the Acquisition Agreement and any other document designated as an "Acquisition Document" by the Bond Trustee and the Issuer.

**"Additional Bonds"** means any Bonds issued under a Tap Issue.

**"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).

**"Agreed Security Principles"** means the security principles set out in an attachment to the Intercreditor Agreement.

**"Annual Financial Statements"** means the audited unconsolidated and consolidated annual financial statements of the Issuer for each of its financial years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

**"Applied Amount" has the meaning given to that term in Clause 10.3 (Mandatory early redemption – Cash Sweep).**

**"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, subject however to Clause 3.3 (*Bondholders' rights*).

**"Bondholder Financial Adviser" means Daiwa Corporate Advisory Limited, or such other financial adviser as is approved by a simple majority of Bondholders in accordance with these Bond Terms and promptly notified to the Issuer, in each case, as supported by an appropriate engagement letter to be entered into between such Bondholder Financial Adviser and the Bond Trustee.**

**"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, including any Additional Bonds, 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.

**"Business Day"** means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open.

**"Business Day Convention"** means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

**"Cairn Guarantee"** means a deed of counter-indemnity issued by Waldorf Energy Partners Limited to or in favour of Cairn Energy plc in respect of a new deed of guarantee and indemnity issued by Cairn Energy plc dated on or about the date of the Acquisition in favour of Armada Kraken Pte. Ltd. relating to the bareboat charter for the Kraken oil field and incorporating an obligation to provide the Cairn Guarantee Cash Collateral in the aggregate maximum amount of up to USD 48,000,000 (or the equivalent thereof in other currencies).

**"Cairn Guarantee Cash Collateral"** has the meaning given to that term in Clause 2.3 (*Use of proceeds*).

**"Cairn Licences"** means the Target's (a) 29.50 per cent. ownership interest in the P.1077 licence in respect of the Kraken oil field and (b) 20.00 per cent. ownership interest in licences P.1430, P.2070, P.2453, P.2454 and P. 2550 in respect of the Greater Catcher Area oil fields, in each case, located on the UK continental shelf.

~~**"Call Option"** has the meaning given to that term 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 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.~~

~~**"Call Price"** has the meaning given to that term in Clause 10.2 (*Voluntary early redemption—Call Option*).~~

**"Cash"** means, at any time, any cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company with a reputable bank or financial institution (including, for the avoidance of doubt, the Escrow Account, but excluding, for the avoidance of doubt, (a) any similar escrow account established in respect of any Additional Bonds, (b) each of the EnQuest Agreement Cash Collateral and the Cairn Guarantee Cash Collateral and (c) any other cash collateral established by any Group Company in respect of any abandonment or decommissioning liabilities or any credit support arrangement pursuant to

any hedging or other derivative transaction) and to which a Group Company is alone (or together with other Group Companies) beneficially entitled and for so long as:

- (a) that cash is repayable on demand (other than any amounts credited to the Debt Service Reserve Account);
- (b) there is no Security over that cash other than any Transaction Security or any Permitted Security constituted by a netting or set-off arrangement entered into by Group Companies in the ordinary course of their banking arrangements; and
- (c) the cash is freely and immediately available to be applied in redemption or repayment of the Bonds.

**"Cash Equivalent Investments"** means, at any time, any certificates of deposit, marketable debt obligations, commercial paper or money market funds (in each case, not convertible or exchangeable to any other security) maturing within one year after the relevant date of calculation issued by a reputable entity or country for which a recognised trading market exists and to which any Group Company is alone (or together with other Group Companies) beneficially entitled, and which are:

- (a) not issued or guaranteed by any Group Company;
- (b) not subject to any Security other than any Transaction Security; and
- (c) freely and immediately available to be converted to Cash and applied in redemption or repayment of the Bonds.

**"Cash Sweep Call Price"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption – Cash Sweep*).

**"Cash Sweep Redemption Date"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption – Cash Sweep*).

~~**"Cash Sweep Liquidity"** means, at any time, the Liquidity:~~

- ~~(a) deducting any amount which is overdue for payment with more than 14 days in connection with supply of assets or services;~~
- ~~(b) excluding cash proceeds retrieved upon the occurrence of Put Option Events to the extent required to be applied for any Put Option; and~~
- ~~(c) deducting the amount of any voluntary redemption on the Bonds which the Issuer has unconditionally committed, but which is not yet due.~~

**"Change of Control Event"** means:

- ~~(a) at any time prior to an IPO, that the Investors (in total) cease to (i) own and control (directly or indirectly) more than 50.00 per cent. of the shares and the voting rights in~~

~~the Parent or (ii) have the power to appoint or remove the majority of the members of the board of directors of the Parent;~~

~~(b) upon and at any time following an IPO, that any person or group of persons acting in concert (other than the Investors) owns or controls (directly or indirectly) 50.00 per cent. or more of the shares or the voting rights in the Parent;~~

(a) ~~(e)~~ at any time, that ~~the Parent~~ Waldorf Production Limited (in administration) ceases to (i) own and control (~~directly~~ indirectly) 100.00 per cent. of the shares and the voting rights in the Issuer or (ii) have the power to indirectly appoint or remove the majority of the members of the board of directors of the Issuer; or

(b) ~~(d)~~ at any time, the sale, transfer or other disposal of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions.

**"Closing Procedure"** means any closing procedure in respect of the issuance of the Bonds and disbursement from the Escrow Account agreed between, among others, the Issuer and the Bond Trustee.

**"CoC Redemption Date"** has the meaning given to that term in Clause 10.4 (Mandatory early redemption – Change of Control Event).

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

**"Confirmed EPL"** has the meaning given to that term in Clause 10.3 (Mandatory early redemption – Cash Sweep).

**"Conversion Date"** means the date the Issuer changes its type of organisation to a public limited company under and in accordance with the UK Companies Act 2006 as set out in Clause 13.4 (*Corporate status*).

**"CSD"** means the central securities depository in which the Bonds are registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)).

**"Decisive Influence"** means a person having, as a result of an agreement or through the ownership of shares or ownership 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.

**"Debt Service Reserve Account"** means an account in the name of the Issuer with a bank acceptable to the Bond Trustee, blocked and pledged on first priority as security for the Secured Obligations.

**"Decommissioning Allowance"** has the meaning given to that term in Clause 10.3 (Mandatory early redemption – Cash Sweep).



"Decommissioning Security" has the meaning given to that term in Clause 10.3 (*Mandatory early redemption – Cash Sweep*).

**"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, in respect of any Group Company, (a) any declaration, making or payment of any dividend, charge, fee or other distribution (or any interest on any unpaid dividend, charge, fee or other distribution) on or in respect of its share capital (or any class thereof), (b) any repayment or distribution of any dividend or share premium reserve, (c) any payment of any management, advisory or other fee to or to the order of any of its (direct or indirect) shareholders or any Affiliate thereof, (d) any redemption, repurchase, defeasance, retirement or repayment of its share capital or the making of any resolution to do so and (e) any prepayment or repayment of any Subordinated Loan or any payment of any interest, fee, charge or premium accrued in respect thereof.

**"EBITDA"** means, in respect of any relevant 12-month period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that period;
- (b) not including any accrued interest owing to any Group Company;
- (c) after adding back any amount attributable to the amortisation or depreciation of assets of any Group Company;
- (d) before taking into account any exceptional, one off, non-recurring or extraordinary items up to an aggregate amount for the Group equal to 10.00 per cent. of EBITDA (prior to making any adjustments for such items) in respect of that period;
- (e) before deducting any fees, costs and expenses, stamp, registration and other taxes incurred by any Group Company in connection with the issuance of the Bonds or the Acquisition;
- (f) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (g) plus or minus the Group's share of the profits or losses (after finance costs and tax) of any investment or entity (which is not itself a Group Company (including associates and joint ventures)) in which any Group Company has an ownership interest;
- (h) before taking into account any unrealised gains or losses on any derivative or financial instrument;

- (i) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;
- (j) before taking into account any income or charge attributable to a post-employment benefit scheme (other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme); and
- (k) excluding the charge to profit represented by the expensing of stock options,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

**"EnQuest Agreement"** means the agreement between the Issuer, EnQuest Heather Limited and EnQuest Advance Limited in their capacity as co-venturers under the joint operating agreement relating to the Kraken oil field in respect of the Target's and/or the Issuer's abandonment or decommissioning liabilities and any joint venture obligations under the joint operating agreement and other field agreements (in each case) relating to the Kraken oil field, and incorporating an obligation to provide the Enquest Agreement Cash Collateral in the aggregate maximum amount of up to USD 39,500,000 (or the equivalent thereof in other currencies).

**"EnQuest Agreement Cash Collateral"** has the meaning given to that term in Clause 2.3 (*Use of proceeds*).

**"EPL"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption - Cash Sweep*).

**"EPL Allowance"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption - Cash Sweep*).

**"Escrow Account"** means an account in the name of the Issuer with the Paying Agent, NT Services AS or another Norwegian bank acceptable to the Bond Trustee, blocked and pledged on first priority as security for the Issuer's obligations under and in respect of the Bonds 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*).

**"Excess Cash"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption - Cash Sweep*).

**"Exchange"** means:

- (a) Nordic ABM, being the Alternative Bond Market of Oslo Stock Exchange (a self-regulated marketplace organised and operated by the Oslo Stock Exchange); or

- (b) Euro MTF of the Luxembourg Stock Exchange.

**"Existing Debt"** means:

- (a) any principal amount together with accrued interest and fees and all other amounts accrued and outstanding under the senior facility agreement dated 17 October 2019 (as the same may have been subsequently amended, restated and/or supplemented) between, among others, the Parent and Sculptor Investments IV S.a.r.l.; and
- (b) any other Financial Indebtedness of the Group or the Target Group, which pursuant to the terms hereof is not permitted or contemplated to remain outstanding after the disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account.

**"Field"** means any oil or gas field forming part of any continental shelf of any country.

**"Finance Documents"** means these Bond Terms, the Bond Trustee Fee Agreement, the Guarantees, the Intercreditor Agreement, the Issuer Voting Undertaking, the Transaction Security Documents, [any Tap Issue Addendum](#), and any other document designated as such by the Issuer and the Bond Trustee.

**"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 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) the amount of any counter-indemnity obligation or other liability of any Group Company in respect of any Surety Bond;
- (i) 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;
- (j) any amount of any liability under an advance or deferred purchase agreement, if (i) the primary reason behind entering into the agreement is to raise finance or (ii) 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;
- (k) 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
- (l) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.

**"Financial Maintenance Covenants"** means the financial maintenance covenants set out in Clause ~~13.25~~13.27 (*Financial Maintenance Covenants*).

**"Financial Reports"** means the Annual Financial Statements and the Interim Accounts.

**"First Call Date"** means the Interest Payment Date falling in April 2023.

**"Forecasted Oil Production"** means:

- (a) in respect of the period commencing at the date hereof and ending on 31 December 2021, the Group's proportion of the total number of barrels of oil forecasted at any time to be produced at all oil fields being subject to any of the Relevant Licences by the operators of those oil fields at the time; and
- (b) in respect of the period commencing at 1 January 2022 and onwards, the Group's proportion of the total number of barrels of oil forecasted at any time to be produced at all such oil fields in the most recent competent persons reports prepared in respect of such oil fields at the time.

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

**"Group"** means the Issuer and each of its Subsidiaries from time to time.

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

**"Guarantee"** means a Norwegian law guarantee (No.: *selvskyldnergaranti*) to be issued by each Guarantor (each of which shall be in form and content satisfactory to the Bond Trustee).

**"Guarantor"** means each Group Company (other than the Issuer).

**"Hurdle Rate"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption - Cash Sweep*).

**"Hydrocarbon Documents"** means each of the following documents or instruments in respect of which any Group Company is a party, beneficiary or claimant or has an ownership or any similar right or interest in respect of any block or Field forming part of that Group Company's business or operations:

- (a) any Licence;
- (b) any joint operating agreement, unitization and unit operating agreement or similar agreement;
- (c) any agreement related to the transportation, processing and/or storage of production;
- (d) any agreement for the sale or marketing of production;
- (e) any decommissioning security agreement, any tariff and offtake agreement, pipeline transmission agreement, drilling agreement, equipment supply agreement, installation and/or supply agreement or maintenance and management agreement;
- (f) any other licence, authorization, consent, permit, exemption, filing or registration required for the lawful conduction of any exploration, drilling, development, construction, exploitation, production, operation and/or any other oil or gas related activities, or the transportation or sale of any production deriving therefrom;
- (g) any relevant governmental or other regulatory authority relating to an exploration, development or production plan;
- (h) any insurance policy or contract; and
- (i) any other document or instrument designated as such by the Issuer and the Bond Trustee.

**"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 statements.

**"Incurrence Test"** has the meaning ascribed to such term in Clause ~~13.26~~13.28 (*Incurrence Test*).

**"Initial Bond Issue"** means the aggregate Nominal Amount of all Bonds issued on the Issue Date, being USD 300,000,000.

**"Initial Group Company"** means:

- (a) the Issuer and each other Group Company; and
  - (b) (for the avoidance of doubt) the Target and each other member of the Target Group,
- in each case, as at the date of disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account.

**"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 another Group Company where (a) the loan or credit is (or is scheduled to be) outstanding for at least 6 months and (b) the principal amount thereof is at least equal to USD 500,000 (or its equivalent in other currencies), provided that the WPUK Loan shall constitute an Intercompany Loan regardless of paragraph (a).

**"Intercreditor Agreement"** means the intercreditor agreement ~~to be made~~ dated 2 November 2021 and entered into between, among others, the Parent, the Issuer, each Guarantor, the relevant creditors of any of the foregoing, the Bond Trustee and the Security Agent.

**"Interest Payment Date"** means the last day of each Interest Period, the first Interest Payment Date being 1 January 2022 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 1 January, 1 April, 1 July and 1 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**"Interest Rate"** means 13.00 per cent. per annum.

**"Interim Accounts"** means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for each financial quarter in each of its financial years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

**"Investors"** means Waldorf Management Holding Limited, Greenwich Land Securities AS, X Capital AS, Skabo Offshore AS, Ultima Management AS and any of the other ultimate shareholders of the Group as at the Issue Date.

**"IPO"** means the earlier to occur of (a) any initial public offering of shares in the Parent or any of its (direct or indirect) holding companies and (b) any listing of any part of the share capital of the Parent or any of its (direct or indirect) holding companies at any regulated market place for listing and trading of shares.

**"ISIN"** means International Securities Identification Number.

**"Issue Amount"** means the aggregate amount of Bonds issued on the Issue Date as set out in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Issue Date"** means 1 October 2021.

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

**"Issuer Voting Undertaking"** means an undertaking (in form and substance satisfactory to the Bond Trustee) granted by the Issuer to the Bond Trustee in its capacity as bond trustee for the Bondholders and as bond trustee for the bondholders in respect of the ~~2026~~[WEF](#) Bonds whereunder the Issuer, inter alia, undertakes (i) to exercise any voting rights it may have in respect of Super Senior Bonds issued and held by it pursuant to paragraph (b) of Clause 11.1 in favour of any resolution or action validly proposed by or other decision or action validly instructed and/or determined to be taken by a simple majority of any other Bondholders holding Super Senior Bonds and in favour of any scheme or restructuring plan which has the support of more than 75 per cent. of other Bondholders holding Super Senior Bonds, (ii) not to sell, transfer or otherwise dispose of any Super Senior Bonds issued and held by it pursuant to paragraph (b) of Clause 11.1, (iii) to cancel Super Senior Bonds issued and held by it pursuant to paragraph (b) of Clause 11.1 in an aggregate nominal amount equal to the amount of any proceeds received from repayment or prepayment of the WPUK Loan pursuant to the terms thereof, (iv) not to transfer its rights under the WPUK Loan or amend or waive the terms of the WPUK Loan to the detriment of the other Bondholders holding Super Senior Bonds, and (v) upon the occurrence of any event of default under the WPUK Loan, to exercise or enforce its relevant rights under the WPUK Loan as directed by the Bond Trustee.

**"Issuer's Bonds"** means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

**"Licence"** means any ownership interest held or (if the context requires) to be acquired by any Group Company in any public licence or authorisation for the conduction of any exploration, drilling, development, production, operation and/or any other oil or gas related activities on any block or Field (including, for the avoidance of doubt and without limitation, each of the Cairn Licences).

**"Liquidity"** means, at any time, the aggregate amount of any Cash and Cash Equivalent Investments held by the Group at that time.

**"Liquidity Testing Date"** has the meaning given to that term in Clause ~~13.27~~[13.29](#) (*Calculations and adjustments to the Financial Maintenance Covenants*).

**"Listing Failure Event"** means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 3 months following the Issue Date; or
- (b) in the case of a successful admission to listing, that a period of 3 months has elapsed since the Bonds ceased to be listed on an Exchange.

**"Long Stop Date"** means 31 December 2021.

**"Managers"** means Pareto Securities AS, Dronning Mauds gate 3, NO-0250 Oslo, Norway, and ABG Sundal Collier ASA, Munkedamsveien 45 Vika Atrium, NO-0250 Oslo, Norway.

**"Mandatory Redemption Event"** means in the event that the conditions precedent set out in paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Long Stop Date.

**"Mandatory Redemption Repayment Date"** means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.6 (*Mandatory early redemption due to a Mandatory Redemption Event*).

**"Material Adverse Effect"** means a material adverse effect on:

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

**"Maturity Date"** means ~~2-September-2025~~ 31 May 2027, adjusted according to the Business Day Convention.

**"Maximum Hurdle Rate"** has the meaning given to that term in Clause 10.3 (*Mandatory early redemption - Cash Sweep*).

**"New Money Bonds"** means the Bonds which may be issued by the Issuer as a Tap Issue on a separate ISIN pursuant to these Bond Terms and otherwise subject to such terms as set out in a Tap Issue Addendum up to an aggregate Nominal Amount of up to USD 10,000,000, provided that:

- (a) such Bonds are funded in full by one or several Bondholders;
- (b) the aggregate fees payable to such funder(s) (the "Initial Funder") shall not exceed a market-standard level for a financing transaction of the type in comparable circumstances;
- (c) following the initial funding, offer-out mechanics shall apply to enable each other Bondholder to elect to subscribe for their share of the New Money Bonds pro rata to its aggregated holdings of Senior Bonds and Super Senior Bonds (with no ability to oversubscribe), during a 10 Business Day period beginning on the date the information



letter regarding the issuance of the New Money Bonds is sent to all Bondholders through the CSD;

- (d) all fees and interest payable until the transfer of part or all of the New Money Bonds to other participating Bondholders shall be retained by the Initial Funder; and
- (e) the terms of the New Money Bonds (before such New Money Bonds are issued) may be amended by a simple majority of Bondholders.

**"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.

**"Non-Infrastructure-Led Exploration Expenditures"** means any capital expenditure, costs and expenses (including, without limitation, any acquisition costs) related to the exploration for undiscovered oil or gas, other than where such exploration takes place within the area of any Licence:

- (a) where there is ongoing production of oil or gas;
- (b) where all the necessary public licences, authorisations and approvals needed to develop that area for oil or gas production have been obtained and remain in full force and effect (any such area together with any such area referred to in paragraph (a) above, a **"producing area"**); or
- (c) which does not meet the requirements set out in paragraphs (a) or (b) above, but which area is located close enough to any producing area, so that any oil or gas discovered within such area will primarily be produced by way of the infrastructure existing or to be built within a producing area.

**"Obligor"** means the Issuer and any Guarantor(s).

**"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.

**"Parent"** means Waldorf Acquisition Co. Limited, a company incorporated under the laws of England with company registration number 11957097, which is the direct owner of 100.00 per cent. of the shares in the Issuer.

**"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 Distribution"** means any Distribution made by:

~~(a) the Issuer at any time after the date occurring 12 months after the Issue Date:~~

~~(i) when the Liquidity exceeds the Total Gross Debt if tested pro forma immediately after the making of such Distribution, provided that no Event of Default is continuing or would result from the making of such Distribution; or~~

~~(ii) when the Liquidity is equal to or lower than the Total Gross Debt if tested pro forma immediately after the making of such Distribution, provided that (A) it complies with the Incurrence Test if tested pro forma immediately after the making of such Distribution, (B) the amount of such Distribution (when aggregated with the amount of any other Distribution made by it during the same financial year) does not exceed an amount equal to 50.00 per cent. of the Group's consolidated net income (after tax) for the previous financial year and (C) no Event of Default is continuing or would result from the making of such Distribution;~~

~~in each case, provided that no Distribution may be made by the Issuer if at the time of such Distribution any Surety Bond with a maturity date (or, if applicable, early termination dates) occurring on or prior to the Maturity Date is outstanding; or~~

~~(b) any Group Company other than the Issuer, provided that (i) such Distribution is made to another Group Company or (ii), if made by such a Group Company which is not wholly owned, is made pro rata to its shareholders on the basis of their respective ownership at the same time and (iii), in each case, no Event of Default is continuing or would result from the making of such Distribution.~~

**"Permitted Financial Indebtedness"** means any Financial Indebtedness:

(a) arising under the Finance Documents (including, for the avoidance of doubt, in respect of any New Money Bonds);

(b) incurred under any Permitted Hedging;

~~(c) incurred by way of Super Senior Bonds;~~

(c) ~~(d)~~ arising under any Subordinated Loans made:

(i) on or prior to the Issue Date; or

(ii) after the Issue Date when no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness,

in each case, subject to the terms set out herein and the Intercreditor Agreement;

(d) ~~(e)~~ up until the disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account, in the form of any Existing Debt;

(e) ~~(f)~~ arising under any loan or guarantee permitted by the definition of "Permitted Financial Support", subject to the terms of the Intercreditor Agreement;

(f) ~~(g)~~ incurred by the Issuer after the Issue Date, provided (other than with respect to any New Money Bonds) that (i) it complies with the Incurrence Test if tested pro forma immediately after the incurrence of such new Financial Indebtedness and (ii) such Financial Indebtedness is incurred by way of:

(A) any Additional Bonds;

(B) any Unsecured Debt; or

(C) any Surety Bond of up to an aggregate amount not exceeding USD 87,500,000 (or its equivalent in other currencies) at any time, for the purpose of replacing the EnQuest Agreement Cash Collateral and/or the Cairn Guarantee Cash Collateral only, provided that any sum being released, repaid and/or paid to any Group Company in connection with any such replacement, is promptly paid into a bank account being subject to Transaction Security (and held by a Group Company), and that such sum remains credited to such account until it is being spent by the Group on any dispositions or transactions not prohibited by the terms hereof,

and (1) (in each case) provided further that no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness and subject to the terms set out herein and (2) (in case of any Additional Bonds only) subject to the terms of the Intercreditor Agreement;

(g) ~~(h)~~ in the form of any seller's credit (No.: *selgerkreditt*), earn out, working capital adjustment or other similar arrangement for the adjustment of the purchase price (in each case) on normal commercial terms incurred or agreed by the Issuer in relation to any acquisition of any company, business, undertaking, shares or securities (or any interest in any of the foregoing) permitted by the terms hereof, provided that any such seller's credit (No.: *selgerkreditt*) (i) has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date and (ii) otherwise is subordinated to the obligations of the Group Companies under the Finance Documents pursuant to the terms of the Intercreditor Agreement;

(h) ~~(i)~~ incurred under any advance or deferred purchase agreement on normal commercial terms by any Group Company towards any of its trading partners in the ordinary course of its trading activities (other than to the extent prohibited or restricted by Clause ~~13.20~~13.21 (*Special undertakings*));

(i) ~~(j)~~ arising under, or to the extent covered by, any guarantee, indemnity, bond, standby or documentary letter of credit or other instrument issued by any bank or financial institution (other than any Surety Bond) (i) in respect of liabilities incurred by any Group Company towards any of its trading partners in the ordinary course of its

trading activities or (ii) as required by any applicable law or regulation, or in the form of any counter-indemnity granted by another Group Company in respect thereof;

(j) ~~(k)~~ in the form of any finance lease or hire purchase contract, provided that the aggregate capital value of all items so leased or hired does not exceed USD 1,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time;

(k) ~~(l)~~ of any person acquired by a Group Company after the Issue Date (incurred prior to the date of acquisition), provided that such Financial Indebtedness is:

(i) refinanced with the Issuer as the new borrower and:

(A) it complies with the Incurrence Test if tested pro forma immediately after the completion of that refinancing; and

(B) such new Financial Indebtedness is incurred by way of:

(1) any Additional Bonds; or

(2) any Unsecured Debt,

and (I) (in each case) provided further that no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness and subject to the terms set out herein and (II) (in case of any Additional Bonds only) subject to the terms of the Intercreditor Agreement; or

(ii) repaid in full,

in each case, within 90 days of the date of such acquisition;

(l) ~~(m)~~ arising under any hedging or other derivative transaction for the protection against or benefit from the fluctuation in any rate or price or the protection against any other commodity risk entered into in the ordinary course of business by the Issuer or any other Group Company and (in each case) not for speculative purposes;

(m) ~~(n)~~ arising or incurred under, or to the extent covered by, the EnQuest Agreement and/or the Cairn Guarantee;

(n) ~~(o)~~ arising under any unsecured working capital facility made available to the Issuer for general corporate purposes of the Group up to an aggregate amount of USD 100,000,000 (or its equivalent in other currencies);

(o) ~~(p)~~ the proceeds of which shall be applied towards a refinancing of the Bonds in full, provided that such proceeds are held on a blocked escrow account which is not accessible to the Issuer or any other Group Company unless and until such refinancing of the Bonds (together with any accrued interest and any other amounts payable under the Finance Documents) takes place in full; ~~or~~

(p) ~~(q)~~ not permitted by the preceding paragraphs and the outstanding amount of which does not exceed USD 2,500,000 (or its equivalent in other currencies) in aggregate for the Group at any time; or

(q) arising under the issuance of any New Money Bonds.

**"Permitted Financial Support" means:**

- (a) any guarantee or indemnity granted under the Finance Documents;
- (b) any guarantee or indemnity granted in respect of any Additional Bonds, in each case subject to the terms of the Intercreditor Agreement;

~~(c) any guarantee or indemnity granted in favour of the Super Senior Bonds;~~

(c) ~~(d)~~ any guarantee or indemnity granted in respect of any Permitted Hedging, provided such guarantee or indemnity is provided in accordance with and ranks pursuant to the terms of the Intercreditor Agreement;

(d) ~~(e)~~ up until the disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account, any guarantee or indemnity granted in respect of any Existing Debt;

(e) ~~(f)~~ any guarantee or indemnity in respect of any such Financial Indebtedness permitted under paragraph (j) of the definition of "Permitted Financial Indebtedness" granted (prior to the date of acquisition) by any person acquired by a Group Company after the Issue Date, provided that such guarantee or indemnity is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;

(f) ~~(g)~~ any guarantee permitted under the definition of "Permitted Financial Indebtedness";

(g) ~~(h)~~ any loan or credit granted by any Group Company to another Group Company and, if it qualifies as an Intercompany Loan, subject to the terms of the Intercreditor Agreement;

(h) ~~(i)~~ any trade credit extended by any Group Company to its customers on normal commercial terms and in the ordinary course of its trading activities (other than to the extent prohibited or restricted by Clause ~~13.20~~ 13.21 (*Special undertakings*));

(i) ~~(j)~~ any performance or similar bond guaranteeing performance by any Group Company under any contract entered into in the ordinary course of business;

(j) ~~(k)~~ any guarantee given in respect of any netting or set-off arrangements permitted under paragraph (e) of the definition of "Permitted Security";

- (k) ~~(h)~~ any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction permitted by the terms hereof, which indemnity is in a customary form and subject to customary limitations;
- (l) ~~(m)~~ any guarantee for any abandonment or decommissioning liabilities of any other Group Company (other than any such guarantee established for any Surety Bond);
- (m) ~~(n)~~ any loan granted by the Issuer to the Parent as a result of the repayment of the loan referred to in paragraph (a) of the definition of "Existing Debt";
- (n) ~~(o)~~ any guarantee or counter-indemnity on normal commercial terms in respect of any lease of real property entered into by any Group Company;
- (o) ~~(p)~~ any guarantee or indemnity in respect of the EnQuest Agreement and/or the Cairn Guarantee;
- (p) ~~(q)~~ the WPUK Loan, subject to the Issuer Voting Undertaking having been executed;  
~~or~~
- (q) ~~(r)~~ any loans, credits, guarantees or indemnities not permitted by the preceding paragraphs which do not (in total) exceed USD 2,500,000 (or its equivalent in other currencies) in aggregate for the Group at any time; or
- (r) guarantees or indemnities arising out of the issuance of New Money Bonds.

**"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 fluctuation in the oil prices, where such exposure arises in respect of payments to be made under the Finance Documents or otherwise in the ordinary course of business (but not a derivative transaction for investment or speculative purposes) on terms satisfactory to the Bond Trustee. Any Permitted Hedging may be secured by the Transaction Security in accordance with the terms of the Intercreditor Agreement (except for the Escrow Account Pledge) and otherwise as set out under the definition of "Permitted Security", in which case it shall constitute **"Secured Hedging Obligations"**.

**"Permitted Security"** means any Security:

- (a) created under the Finance Documents;
- (b) created in respect of any Permitted Hedging, provided that such Security is provided in accordance with and ranks pursuant to the terms of the Intercreditor Agreement;
- ~~(c) created in favour of the Super Senior Bonds;~~
- (c) ~~(d)~~ up until the disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account, created in respect of any Existing Debt or any of the Group's hedging arrangements existing at the time;

- (d) ~~(e)~~ arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (e) ~~(f)~~ in the form of any netting or set-off arrangement entered into by any Group Company for the purpose of netting debit and credit balances of Group Companies in the ordinary course of its banking arrangements;
- (f) ~~(g)~~ in the form of rental deposits on normal commercial terms in respect of any lease of real property entered into by any Group Company;
- (g) ~~(h)~~ arising as a consequence of any finance lease or hire purchase contract permitted pursuant to paragraph (i) of the definition of "Permitted Financial Indebtedness";
- (h) ~~(i)~~ 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 trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (i) ~~(j)~~ in respect of any such Financial Indebtedness permitted under paragraph (j) of the definition of "Permitted Financial Indebtedness" created (prior to the date of acquisition) by any person acquired by a Group Company after the Issue Date, provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (j) ~~(k)~~ affecting any asset acquired by any Group Company after the Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (k) ~~(l)~~ in the form of (i) any payment or close out netting or set-off arrangement or (ii) any security in the form of cash collateral established on normal commercial terms under any credit support arrangement, in each case, pursuant to any hedging or other derivative transaction permitted under paragraph (k) of the definition of "Permitted Financial Indebtedness";
- (l) ~~(m)~~ in the form of any cash collateral, any pledge of any bank account for the establishment of any cash collateral or any similar arrangement, in each case, as security for any abandonment or decommissioning liabilities of any Group Company (other than any such cash collateral established for any Surety Bond);
- (m) ~~(n)~~ in the form of a pledge over an escrow account created in respect of any Additional Bonds, which may only be used to create an escrow arrangement with respect to such Additional Bonds during the period commencing from and including the date of issue of such Additional Bonds up to and including the date of release of the (net) proceeds of such Additional Bonds to the Issuer;
- (n) ~~(o)~~ in the form of a pledge over an escrow account (or similar escrow arrangement) created in respect of such a refinancing in full of the Bonds as described in paragraph (m) of the definition of "Permitted Financial Indebtedness";

- (o) ~~(p)~~ in the form of the EnQuest Agreement Cash Collateral and/or the Cairn Guarantee Cash Collateral; ~~or~~
- (p) ~~(q)~~ securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any Group Company other than any permitted under the preceding paragraphs) does not exceed USD 2,500,000 (or its equivalent in other currencies) in aggregate for the Group at any time; ~~or~~ or
- (q) securing indebtedness arising from the issuance of New Money Bonds (which may be secured on a super senior basis to the Bonds).

"**Post-Disbursement Security**" has the meaning given to that term in Clause 2.5 (*Transaction Security*).

"**Pre-Disbursement Security**" has the meaning given to that term in Clause 2.5 (*Transaction Security*).

"**Pre-Settlement Security**" has the meaning given to that term in Clause 2.5 (*Transaction Security*).

"~~**Put Option**~~**Production-Weighted Average Hedge Price**" has the meaning given to that term in Clause 10.3 (*Mandatory ~~repurchase due to a Put Option Event~~early redemption - Cash Sweep*).

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

~~"**Put Option Event**" means a Change of Control 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).~~

"**Relevant Jurisdiction**" means the country in which the Bonds are issued, being Norway.

"**Relevant Licences**" means (a) any Licence held by any Group Company as at the date hereof and (b) each of the Cairn Licences.

"**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~~Cash Sweep Redemption Date, the



Default Repayment Date, any ~~Put-Option Repayment~~CoC Redemption Date, the Tax Event Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

**"Secured Obligations"** means all present and future obligations and liabilities of the Obligors under the Finance Documents and any finance documents related to any Secured Hedging Obligations, both actual and contingent.

**"Secured Parties"** has the meaning given to that term in the Intercreditor Agreement (which shall include the Security Agent, the Bond Trustee and the Bondholders and any creditors in respect of any Additional Bonds).

**"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).

**"Senior Bonds"** means the Bonds issued under ISIN NO0011100935.

**"SPG Agreement"** means the sale protocol and governance agreement entered into between the Issuer, the Parent, Waldorf Holdco Limited and the Bond Trustee dated [●] 2025.

**"Subordinated Loan"** means any loan or credit made to the Issuer by the Parent, provided that it is unsecured and subordinated to the obligations of the Group Companies under the Finance Documents pursuant to the terms of the Intercreditor Agreement.

**"Subsequent Group Company"** means any person which becomes a Group Company after the date of disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account.

**"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.

**"Super Senior Bonds"** means ~~bonds issued by the Issuer on a separate ISIN which shall be secured by the Super Senior Security (in addition to the Transaction Security) and otherwise be subject to such further terms as may be set out in a Tap Issue Addendum and Clause 2.2 (Issue of Super Senior Bonds).~~the Bonds issued under ISIN NO0013280206.

**"Super Senior Security"** means the first priority transaction security granted as Security for the ~~2026~~[WEE](#) Bonds and established in favour of the Security Agent on behalf of the holders of Super Senior Bonds with a super senior ranking and subject to the terms of a super senior intercreditor agreement.

**"Surety Bond"** means any unsecured surety bond issued in favour, or at the request, of any governmental or public authority, department or agency, any operator or co-licencees or any other person by any bank or financial institution, insurance company or other entity in respect of any abandonment or decommissioning liabilities of any Group Company.

**"Tap Issue"** means an issuance of Additional Bonds under Clause 2.1 (*Amount, denomination and ISIN of the Bonds*) ~~or of Super Senior Bonds under Clause 2.2 (*Issue of Super Senior Bonds*)~~.

**"Tap Issue Addendum"** means an addendum to these Bond Terms evidencing the terms of a Tap Issue.

**"Target"** means Capricorn North Sea Limited, a company incorporated under the laws of England with company registration number 13233288, which at the completion of the Acquisition is the sole beneficial and rightful owner of each of the Cairn Licences.

**"Target Group"** means the Target and each of its Subsidiaries from time to time.

**"Tax Event Repayment Date"** means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.5 (*Early redemption option due to a tax event*).

**"Total Gross Debt"** means, at the relevant time, the aggregate amount of all obligations of the Group Companies for or in respect of Financial Indebtedness (other than such referred to in paragraph (f) of the definition of "Financial Indebtedness") but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Subordinated Loans;
- (c) excluding any Bonds held by the Issuer; and
- (d) including, in the case of any finance leases or hire purchase contracts, their capitalised value,

and so that no amount shall be included or excluded more than once.

**"Total Net Debt"** means, at the relevant time, the Total Gross Debt after deducting the aggregate amount of any Cash and Cash Equivalent Investments held by any Group Company at the time, and so that no amount shall be included or excluded more than once.

**"Transaction Security"** has the meaning given to that term in the Intercreditor Agreement, which security shall secure the liabilities due, owing or incurred by each Group Company to any Secured Party to the extent and in the manner contemplated by the Intercreditor Agreement.

**"Transaction Security Documents"** means all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*) (other than the Escrow Account Pledge) and any document evidencing the terms of any Security created or to be created by the Parent or by or in respect of any Group Company pursuant to the terms hereof (which, unless the context otherwise requires, shall include any Guarantees).

**"Unsecured Debt"** means any unsecured Financial Indebtedness incurred by the Issuer towards any bank, financial institution or other third party/ies:

- (a) which ranks pari passu (in terms of payment) with the obligations of the Issuer under the Finance Documents;
- (b) which has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date; and
- (c) where the all-in yield (being the aggregate of any interest rate (including any margin and reference rate), fee, commission, original issue discount and default premium, in each case, payable in respect of such debt and based on the actual remaining life to maturity of such debt) shall not exceed the all-in yield (calculated on the same basis) applicable to the Bonds by more than 4.00 per cent per annum.

For the avoidance of doubt, any Unsecured Debt may not be guaranteed or secured by any Group Company.

**"USD"** means the lawful currency of the United States of America.

**"Vendor"** means Nautical Petroleum Limited, a company incorporated under the laws of England with company registration number 04362104.

**"Voting Bonds"** means the Outstanding Bonds less the Issuer's Bonds.

**"Waldorf Group"** means Waldorf Production Limited (in administration), Waldorf Energy Finance PLC and each of their respective Subsidiaries.

**"WEF Bonds"** means the [Waldorf Energy Finance PLC 13.00% senior secured USD 200,000,000 bonds 2023/2027 with ISINs NO0012847674, NO0013255489 and NO0013255497.](#)

**"WPUK Loan"** means the up to USD 15,000,000 loan granted by the Issuer to Waldorf CNS (I) Limited, pursuant to the WPUK Loan Agreement.

**"WPUK Loan Agreement"** means the loan agreement documenting the WPUK Loan.

**"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;
- (k) references to "**the net proceeds of the relevant part of the Issue Amount from the Escrow Account**" shall be interpreted reference to the net proceeds of the part of the Issue Amount pertaining to the Bonds; and
- (l) 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 maximum amount of up to USD ~~373,665,625~~381,165,625 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates. The Issuer may, provided that the conditions set out in Clause 6.4 (*Tap Issues*) are met, issue Additional Bonds until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market. The Bond Trustee shall prepare a Tap Issue Addendum evidencing the terms of each Tap Issue.

- (b) The Bonds are denominated in USD.
- (c) The Initial Nominal Amount of each Bond is USD 1.00.
- (d) The ISIN of the Senior Bonds is ISIN NO0011100935. ~~These and the ISIN of the Super Senior Bonds is ISIN NO0013280206. Subject to the Super Senior Security and as otherwise set out herein, these~~ Bond Terms apply with identical terms and conditions to (i) all Bonds issued under ~~this ISIN~~ these ISINs, (ii) any New Money Bonds, (iii) any Additional Bonds and ~~(iiiiv)~~ 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 Issue of Super Senior Bonds**

- ~~(a) The Issuer may, provided that the conditions set out in Clause 6.4 (Tap Issues) are met and no later than 31 December 2024 (or such later date as consented to by the Bond Trustee, acting on the instructions of a simple majority of the Bondholders), issue Super Senior Bonds in an aggregate Nominal Amount of up to USD 68,706,770 under one or several Tap Issues under the same ISIN. For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market.~~
- ~~(b) Upon issuance of any Super Senior Bonds, these Bond Terms apply with identical terms and conditions to (i) the Super Senior Bonds as for the other Bonds (other than as set out herein), (ii) all Super Senior Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.~~
- ~~(c) For the avoidance of doubt, sub-paragraph (c) under Clause 2.1 above shall apply equally to this Clause 2.2.~~
- ~~(d) Upon issuance of any Super Senior Bonds, all references to “the Bonds” shall be read so that it includes the Super Senior Bonds.~~

## **2.2**

### **~~2.3~~ Tenor of the Bonds**

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

## **2.3**

### **~~2.4~~ Use of proceeds**

The Issuer will use the net proceeds from the issuance of the Bonds under the Initial Bond Issue as follows:

- (a) towards financing the Acquisition;
- (b) approximately USD 68,000,000 towards refinancing the Existing Debt;

- (c) approximately USD 39,500,000 (or the equivalent thereof in other currencies) towards creating cash collateral or similar security for the Issuer's liabilities under or in respect of the EnQuest Agreement (the "**EnQuest Agreement Cash Collateral**");
- (d) approximately USD 48,000,000 (or the equivalent thereof in other currencies) towards creating cash collateral or similar security for Waldorf Energy Partners Limited's liabilities under or in respect of the Cairn Guarantee (the "**Cairn Guarantee Cash Collateral**");
- (e) approximately USD 14,000,000 towards changing, terminating, replacing, resetting or otherwise adjusting the Group's existing hedging arrangements; and
- (f) any remaining part thereof towards:
  - (i) the general corporate and working capital purposes of the Group (including capital expenditure and acquisitions of companies, businesses or undertakings, but excluding Distributions); and
  - (ii) financing any fees, costs and expenses incurred by the Group in respect of any such transactions referred to in any of the preceding paragraphs or the issuance of the Bonds.

## 2.4

### ~~2.5~~ Status of the Bonds

- (a) The Bonds will constitute senior debt obligations of the Issuer and rank:
  - (i) ~~(a)~~ *pari passu* between themselves (subject to paragraph (b) below);
  - (ii) ~~(b)~~ at least *pari passu* with any Permitted Hedging, any Unsecured Debt and all other obligations of the Issuer, save for such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application; and
  - (iii) ~~(c)~~ ahead of any subordinated debt<sub>2</sub>;
- (b) The New Money Bonds (if issued) will rank ahead of the other Bonds.

## 2.5

### ~~2.6~~ Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, including (but not limited to) any principal amount and any interest, premiums, fees, costs and expenses accrued in respect of the Bonds, the Issuer shall procure that the following Transaction Security (subject to any mandatory limitations arising under any applicable law and the Agreed Security Principles) 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;

Pre-Disbursement Security:

- (ii) a first priority pledge by the Parent of 100.00 per cent. of the shares in the Issuer;
- (iii) a first priority assignment (by way of Security) by the Parent of any Subordinated Loans;
- (iv) a Guarantee from each Initial Group Company;
- (v) a first priority pledge by the Issuer and each other Group Company of 100.00 per cent. of the shares in each such Guarantor owned by it;
- (vi) a first priority assignment (by way of Security) by the Issuer of any loan granted by it to the Parent as a result of the repayment of the loan referred to in paragraph (a) of the definition of "Existing Debt";
- (vii) a first priority assignment (by way of Security) by the Issuer and each such Guarantor of any Intercompany Loans made by it;
- (viii) a first priority pledge by the Issuer and each such Guarantor of any bank accounts maintained by it;
- (ix) first priority assignment (by way of Security) by the Issuer and each such Guarantor over any insurances taken or required to be taken out by it in accordance with the terms hereof;
- (x) first priority assignment (by way of Security) of any trade receivables of the Issuer and each such Guarantor;
- (xi) first priority Security by the Issuer and each such Guarantor over any Licences held by it;
- (xii) first priority Security over the rights and interests of the Issuer and each such Guarantor under any other Hydrocarbon Documents (which may legally and validly be or become subject to Transaction Security) to which it is party;
- (xiii) first priority Security over the rights and interest of the Issuer (and any other Group Company) under the Acquisition Documents; and
- (xiv) first priority Security over any machinery, plant, vehicles, equipment and inventory of the Issuer and each such Guarantor;
- (xv) first priority Security over the rights and interests of the Issuer or any such Guarantor under any hedging agreement entered into by it (on or prior to the date of such disbursement) in respect of any hedging or other derivative transaction described in paragraph (k) of the definition of "Permitted Financial Indebtedness", including (without limitation) any hedging agreement entered into by it pursuant to Clause ~~13.23~~13.24 (*Required hedging*) (in each case,

which may legally and validly be or become subject to Transaction Security);  
and

Post-Disbursement Security:

- (xvi) a first priority pledge over the Debt Service Reserve Account;
- (xvii) a Guarantee from each Subsequent Group Company;
- (xviii) a first priority pledge by the Issuer and each other Group Company of 100.00 per cent. of the shares in each such Guarantor owned by it;
- (xix) a first priority assignment (by way of Security) by the Issuer and each such Guarantor of any Intercompany Loans made by it;
- (xx) a first priority pledge by each such Guarantor of any bank accounts maintained by it;
- (xxi) first priority assignment (by way of Security) by each such Guarantor over any insurances taken or required to be taken out by it in accordance with the terms hereof;
- (xxii) first priority assignment (by way of Security) of any trade receivables of each such Guarantor;
- (xxiii) first priority Security by each such Guarantor over any Licences held by it;
- (xxiv) first priority Security over the rights and interests of each such Guarantor under any other Hydrocarbon Documents (which may legally and validly be or become subject to Transaction Security) to which it is party;
- (xxv) first priority Security over any machinery, plant, vehicles, equipment and inventory of each such Guarantor; and
- (xxvi) first priority Security over the rights and interests of the Issuer or any Guarantor under any hedging agreement entered into by it (after the date of such disbursement referred to above) in respect of any hedging or other derivative transaction described in paragraph (k) of the definition of "Permitted Financial Indebtedness", including (without limitation) any hedging agreement entered into by it pursuant to Clause ~~13.23~~ 13.24 (*Required hedging*) (in each case, which may legally and validly be or become subject to Transaction Security),

and (where relevant) any Transaction Security Document creating any such security shall require that the relevant security provider promptly establishes similar security on substantially the same terms over any such future assets acquired by it.

- (b) The Guarantees and the Transaction Security shall be established as follows:



- (i) the Pre-Settlement Security shall be established no later than two Business Days prior to the Issue Date;
  - (ii) the Pre-Disbursement Security shall, subject to any Closing Procedure, be established no later than two Business Days prior to disbursement of the net proceeds of the relevant part of the Issue Amount from the Escrow Account to the Issuer (at which time the Security Agent shall have the right (at its sole discretion) to release the Pre-Settlement Security), except any such security to be created by or in respect of the Target Group or any such hedging agreement referred to in paragraph (a)(xv) above, which, subject to any Closing Procedure, shall be established in connection with such disbursement (provided, in each case, that all such Guarantees and Security must in any case be established prior to the Conversion Date); and
  - (iii) the Post-Disbursement Security shall be established in accordance with Clause ~~13.22~~13.23 (*Further assurance*), other than such security referred to in paragraph (a)(xxv) above, which shall be established promptly upon the entering into by the Issuer or relevant Guarantor of the relevant hedging agreement, provided, in each case, that all such guarantees and security must to the extent legally and practically possible be established prior to the Conversion Date.
- (c) The Super Senior Bonds shall be secured by the Super Senior Security.
  - (d) The Pre-Disbursement Security, the Post-Disbursement Security and any other security established pursuant to the terms hereof (other than the Pre-Settlement Security) shall form part of the Transaction Security and, together with any Guarantee, be shared with the other Secured Parties to the extent and in the manner contemplated by the Intercreditor Agreement.
  - (e) 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.
  - (f) The Bond Trustee may (at its sole discretion and in each case) postpone the creation or perfection of, or to the extent provided for in the Agreed Security Principles, waive the creation or perfection of, one or more such Guarantee or Security.
  - (g) The Security Agent is irrevocably authorised to discharge and release any Transaction Security (i) created over any asset being disposed of by way of any merger, de-merger, sale or other transaction permitted by the terms hereof, (ii) in connection with the enforcement of any Transaction Security and (iii) in connection with any change with respect to the Group Companies contemplated hereby, and the same applies to any Guarantee granted by any relevant Group Company.

### **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 ensure that the Bonds are listed on an Exchange within 3 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 proceeds of the relevant part of the Issue Amount into the Escrow Account (net of any fees and legal costs of the Managers and the Bond Trustee and any other cost and expenses incurred in connection with the issuance of the Bonds) shall be subject to receipt by the Bond Trustee, no later than 2 Business Days prior to the Issue Date (or such later date as the Bond Trustee may agree), of the following documents and evidence (in form and content satisfactory to the Bond Trustee):
  - (i) these Bond Terms duly executed by all parties hereto;
  - (ii) copies of the constitutional documents of the Issuer;
  - (iii) copies of all corporate resolutions and authorisations of the Issuer required to issue the Bonds, establish the Transaction Security and execute the Finance Documents to which it is or shall become a party;
  - (iv) a copy of the register of shareholders of the Issuer;
  - (v) the Escrow Account Pledge duly executed by the parties thereto and perfected in accordance with applicable law;
  - (vi) copies of the Issuer's latest Financial Reports (if any);
  - (vii) confirmation that the applicable prospectus requirements (ref. Regulation (EU) 2017/1129) concerning the issuance of the Bonds have been fulfilled;
  - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;

- (ix) confirmation that the Bonds are registered in CSD (by obtaining an ISIN for the Bonds);
  - (x) confirmation of acceptance from any process agent;
  - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Managers 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 or the legality, validity and enforceability of the Finance Documents).
- (b) Disbursement of the proceeds of the relevant part of the Issue Amount credited to the Escrow Account (net of any fees and legal costs of the Managers and the Bond Trustee and any other cost and expenses incurred in connection with the issuance of the Bonds not covered under paragraph (a) above) to the Issuer shall be subject to receipt by the Bond Trustee:
- (i) in respect of any such document or evidence to be delivered by or in respect of the Target Group which (either legally or practically) cannot be delivered until such disbursement, no later than in connection with the disbursement; and
  - (ii) in respect of any other such document or evidence, no later than two Business Days prior to the date of such disbursement,
- (or, in each case, such later date as the Bond Trustee may agree) of the following documents and evidence (in form and content satisfactory to the Bond Trustee):
- (A) a duly executed release notice from the Issuer in respect thereof;
  - (B) a list of the Initial Group Companies, each of which shall become a Guarantor and provide Transaction Security not later than at the relevant date set out in paragraph (b) of Clause 2.5 (*Transaction Security*) above;
  - (C) copies of the constitutional documents of the Parent and each Initial Group Company;
  - (D) copies of all corporate resolutions and authorisations of the Parent and each Initial Group Company required to establish the Transaction Security, execute the Finance Documents to which it is or shall become a party and, in the case of each such Initial Group Company only, provide a Guarantee;
  - (E) a copy of the register of shareholders of the Parent and each Initial Group Company;

- (F) a written confirmation from the Issuer that no Event of Default is continuing or would result from the disbursement of such proceeds from the Escrow Account;
- (G) copies of documents evidencing the terms of any Subordinated Loans or any Intercompany Loans (in each case) existing or arising in connection with such disbursement, each duly executed by the parties thereto;
- (H) a copy of each of the Acquisition Documents executed by the parties to those documents;
- (I) evidence that Waldorf Production Limited (and each of its Affiliates) has assigned all of its rights and interests under the Acquisition Documents to the Issuer;
- (J) evidence that the UK Oil and Gas Authority (OGA) has confirmed to the Issuer:
  - (1) that it does not intend to exercise its power to revoke, or recommend the revocation of, any Cairn Licence, and that such confirmation has not been withdrawn; and
  - (2) that it does not intend to require a further change of control in respect of any Cairn Licence, and that such confirmation has not been withdrawn,

in each case, as a result of the entry into of the Acquisition Agreement by the parties thereto or the consummation of the Acquisition;

- (K) a copy of any other authorisation from any relevant competition or other public authorities required to complete the Acquisition (or evidence that each such authorisation has been obtained or effected), and (where applicable) evidence that the conditions for completing the Acquisition set out therein have been complied with;
- (L) evidence that the Acquisition will be completed on the terms of the Acquisition Documents no later than upon such disbursement, subject to any Closing Procedure;
- (M) evidence that all authorisations, approvals or waivers needed for the Acquisition to be consummated from any person (other than the Vendor, a Group Company or a member of the Target Group) under or in respect of any Hydrocarbon Document related to the Target or any of the Cairn Licences have been obtained;
- (N) a group structure chart (which shows, among others, the Parent, the Group and the Target Group assuming completion of the Acquisition);

- (O) evidence that (1) the Existing Debt will be repaid (and any commitment or facility in respect thereof will be cancelled) in full no later than upon such disbursement and (2) any guarantee or security created in respect thereof will be released and discharged in full, in each case subject to any Closing Procedure;
- (P) evidence that any guarantee or security created in respect of any of the Group's hedging arrangements existing at the time (other than any such security permitted under paragraph (k) of the definition of "Permitted Security") will be released and discharged in full, in each case subject to any Closing Procedure;
- (Q) the Intercreditor Agreement, duly executed by the parties thereto;
- (R) the Guarantees and the Transaction Security Documents for the establishment of the Pre-Disbursement Security, each duly executed and perfected by the parties thereto together with any notices, acknowledgements, registers of shareholders and other documents which shall be supplied in respect thereof (in each case, subject to any Closing Procedure);
- (S) a copy of any Licence or other Hydrocarbon Document requested by the Bond Trustee or the Security Agent (in each case, to the extent and in the manner permitted by any applicable confidentiality restrictions);
- (T) a copy of any consent required from any governmental or public authorities in any jurisdiction in respect of any Transaction Security to be created over or in respect of any Licence;
- (U) evidence that (1) the EnQuest Agreement and the Cairn Guarantee have been entered into and issued or will be entered into and issued in connection with such disbursement and (2) the EnQuest Agreement Cash Collateral and the Cairn Guarantee Cash Collateral have been created or will be created in connection with such disbursement (together with copies of any documentation relating thereto as the Bond Trustee may request that is available at the time (in each case, to the extent and in the manner permitted by any applicable confidentiality restrictions));
- (V) copies of any other documents or evidence with respect to any other asset over which such Transaction Security shall be granted as required by the Bond Trustee or the Security Agent; and
- (W) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Parent, the Issuer, each Initial Group Company or any other relevant Group Company or the legality, validity and enforceability of any Finance Documents (unless delivered under paragraph (a) above as pre-settlement conditions precedent)).

- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive or postpone the requirements for documentation or delivery of one or more of such conditions precedent or decide that delivery of certain documents shall be made subject to the Closing Procedure.

## **6.2 Post-Disbursement Conditions Precedent**

- (a) The Issuer shall deliver to the Bond Trustee, no later than two Business Days prior to the date on which (a) any Subsequent Group Company shall become a Guarantor and/or provide Transaction Security or (b) any other Group Company shall provide Transaction Security (in each case) pursuant to Clause ~~13.22~~13.23 (*Further assurance*) (or, in the case of paragraphs (iv), (v) and (ix) below, no later than at the date of creation of such Transaction Security referred to in paragraph (v)), the following documents and evidence (in form and content satisfactory to the Bond Trustee):
- (i) copies of the constitutional documents of such Guarantor and (if applicable) any other Group Company granting any security in respect of such Guarantor;
  - (ii) copies of all corporate resolutions and authorisations of such Guarantor and (if applicable) such other Group Company required to establish the Transaction Security and (if not already provided) provide the Guarantee and execute the Finance Documents to which it is or shall become a party;
  - (iii) (if not already provided) a copy of the register of shareholders of such Guarantor;
  - (iv) (if not already provided) evidence that such Guarantor has acceded to the Intercreditor Agreement in the proper capacities;
  - (v) the Transaction Security Documents for the establishment of the Security and (if not already provided) the Guarantee to be provided by or in respect of such Guarantor pursuant to the terms hereof, each duly executed and perfected by the parties thereto together with any notices, acknowledgements, registers of shareholders and other documents which shall be supplied in respect thereof;
  - (vi) a copy of any relevant Licence or other Hydrocarbon Document requested by the Bond Trustee or the Security Agent (in each case, to the extent and in the manner permitted by any applicable confidentiality restrictions);
  - (vii) a copy of any consent required from any governmental or public authorities in any jurisdiction in respect of any Transaction Security to be created over or in respect of any Licence;
  - (viii) copies of any other documents or evidence with respect to any other asset over which such Transaction Security shall be granted as required by the Bond Trustee or the Security Agent; and

- (ix) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer, such Guarantor or any other relevant Group Company or the legality, validity and enforceability of any Finance Documents (unless delivered under paragraphs (a) or (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*)).
- (b) The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of one or more of such conditions precedent.

### **6.3 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.

### **6.4 Tap Issues**

The Issuer may issue Additional Bonds ~~or~~ Super Senior Bonds [or New Money Bonds](#) if:

- (a) a Tap Issue Addendum duly executed by all parties thereto;
- (b) no Event of Default has occurred or would occur as a result of making such Tap Issue; and
- (c) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds or Super Senior Bonds (as the case may be).

## **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;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account:

### **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, licences, 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 2 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 Bond 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), including, for the avoidance of doubt, the Bond Trustee's legal advisers and the Bondholder Financial Adviser;
  - (ii) secondly, towards accrued interest due but unpaid in respect of the New Money Bonds (if any); ~~and~~
  - (iii) thirdly, towards outstanding amounts due but unpaid in respect of the New Money Bonds (if any);
  - (iv) fourthly, towards accrued interest due but unpaid in respect of the Senior Bonds and the Super Senior Bonds on a pro rata basis; and
  - (v) ~~(iii) thirdly~~ fifthly, towards any other outstanding amounts due but unpaid ~~under the Finance Documents~~ in respect of the Senior Bonds and the Super Senior Bonds on a pro rata basis.
- (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~~ in respect of the New Money Bonds (if any), (ii) secondly, towards accrued interest due but unpaid in respect of the New Money Bonds (if any), (iii) thirdly, towards any principal amount due but unpaid in respect of the Senior Bonds and the Super Senior Bonds on a *pro rata* basis and (iv) fourthly, towards accrued interest due but unpaid in respect of the Senior Bonds and the Super Senior Bonds on a *pro rata* basis, 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 a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
  - (i) the last day in the relevant Interest Period is the 31<sup>st</sup> calendar day but the first day of that Interest Period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
  - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

### 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

- (a) The Bonds will be repaid (by way of redemption of Bonds) by the Issuer on the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount of the Bonds being redeemed.
- (b) Any partial redemption of the Bonds made in accordance with these Bond Terms shall reduce the amount of any such remaining instalments by the same proportion.

### 10.2 [Reserved]

### 10.3 ~~10.2 Voluntary~~ Mandatory early redemption - ~~Call Option~~ Cash Sweep

- ~~(a) The Issuer may redeem all (but not only some) of the Outstanding Bonds (the "Call Option") on any Business Day to but not including the Maturity Date at a price equal to 106.00 per cent. of the Nominal Amount of the redeemed Bonds (the "Call Price").~~
- (a) If the Group, on any Quarter Date, holds Excess Cash, the Issuer shall on the date falling 10 Business Days after the relevant Quarter Date (the "Cash Sweep Redemption Date") apply such Excess Cash in the order of priority set out in Clause 8.3 (Partial Payments), to redeem the Bonds at the applicable Cash Sweep Call Price.

- (b) Following the payment of all additional cash collateralisation due under any decommissioning security agreement ("**Decommissioning Security**") in respect of any relevant year, any cash retained as part of the Decommissioning Allowance and not applied for Decommissioning Security in respect of such year shall be applied in the order of priority set out in Clause 8.3 (*Partial Payments*) to redeem the Bonds at the next Cash Sweep Redemption Date at the applicable Cash Sweep Call Price, in addition to any amounts that would otherwise have constituted Excess Cash on such Cash Sweep Redemption Date had the full amount of the Decommissioning Allowance been applied for Decommissioning Security for the relevant year.
- (c) Following final confirmation of the total amount of accrued EPL for each accounting period (the "**Confirmed EPL**"), any cash retained as part of the EPL Allowance in excess of the Confirmed EPL shall be applied in the order of priority set out in Clause 8.3 (*Partial Payments*) to redeem the Bonds at the next Cash Sweep Redemption Date at the applicable Cash Sweep Call Price, in addition to any amounts that would otherwise have constituted Excess Cash on such Redemption Date had the full amount of the EPL Allowance been applied for the payment of accrued EPL due and payable when required.
- (d) In the event that any cash retained as part of the Decommissioning Allowance or the EPL Allowance is applied for any purpose other than toward Decommissioning Security or payment of Confirmed EPL (any amount applied in this way being an "**Applied Amount**"), the Decommissioning Allowance or EPL Allowance shall be reduced by the applicable Applied Amount. For the avoidance of doubt, the Issuer shall not be entitled to reduce the amount of Excess Cash used for mandatory redemption of the Bonds that would otherwise have been applied for such purpose at any Cash Sweep Redemption Date had the Applied Amount not been utilised.
- (e) The applicable call price for any early redemption by the Issuer pursuant to this Clause 10.3 (*Mandatory early redemption – Cash Sweep*) shall a price equal to 100.00 per cent. of the Nominal Amount of the redeemed Bonds, increased by 1.00 per cent. of the Nominal Value of the redeemed Bonds for each amount of USD 1 (rounded down to the nearest whole USD figure) by which the Production-Weighted Average Hedge Price exceeds the Hurdle Rate up to the Maximum Hurdle Rate (the "**Cash Sweep Call Price**").
- (f) In this Clause 10:
- "**Average Daily Brent Crude Price**" means the arithmetic mean of the Dated Brent FOB high and low assessments as published in Platts Daily Crude Oil Marketwire in the publications data for each publication day for the relevant financial quarter (and any published correction to any relevant assessment shall be taken into account), provided that if Platts Daily Crude Oil Marketwire shall cease to be available, the Company and the Bondholder Financial Adviser (or, if no Bondholder Financial Adviser is appointed, the Bond Trustee (acting on the instructions of a simple majority of the Bondholders)) shall use reasonable endeavours to agree an appropriate alternative publication, such agreement not to be unreasonably withheld or delayed.

"Decommissioning Allowance" means, on any Quarter Date, the amount equal to (i) USD 1,250,000, multiplied by (ii) the number of months which has elapsed between the preceding 31 October and such Quarter Date.

"EPL" means the energy (oil and gas) profits levy charged under the Energy (Oil and Gas) Profits Levy Act 2022 or any successor or replacement legislation.

"EPL Allowance" means, on any Quarter Date, the amount of unpaid EPL tax to have been accrued by the Group prior to such date and estimated by the Issuer in accordance with mechanics to be agreed between the Issuer and the Bondholder Financial Adviser (or, if no Bondholder Financial Adviser is appointed, the Bond Trustee (acting on the instructions of a simple majority of the Bondholders)).

"Excess Cash" means, at any time, the Liquidity in excess of USD 30,000,000 after:

- (i) deducting any amount which is overdue for payment with more than 14 days in connection with supply of assets or services;
- (ii) excluding cash proceeds retrieved upon the occurrence of a Change of Control Event to the extent required to be applied for any mandatory early redemption in accordance with Clause 10.4 (Mandatory early redemption – Change of Control Event);
- (iii) adding the Decommissioning Allowance at the end of the relevant financial quarter; and
- (iv) adding the EPL Allowance at the end of the relevant financial quarter.

"Hurdle Rate" means USD 75 per barrel.

"Maximum Hurdle Rate" means USD 90 per barrel.

"Production-Weighted Average Hedge Price" means, for any financial quarter:

- (i) the volume of crude oil produced by the Group in respect of which the price is hedged multiplied by the hedging price in respect thereof (to the extent such hedging price is engaged); plus
- (ii) the remaining volume of crude oil produced by the Group in respect of which the price is not hedged production multiplied by the Average Daily Brent Crude Price,

divided by the total volume of crude oil produced by the Group.

#### 10.4 Mandatory early redemption – Change of Control Event

- (a) Upon the occurrence of a Change of Control Event, the Issuer shall redeem all of the Outstanding Bonds at a price equal to 100.00 per cent. of the Nominal Amount within

15 Business Days of the Change of Control Event having occurred (the “CoC Redemption Date”).

- (b) The ~~Call Option may be exercised by the Issuer by~~ Issuer shall send a written notice to the Bond Trustee at least 10 Business Days prior to the proposed ~~Call Option Repayment~~ CoC Redemption Date. Such notice sent by the Issuer (i) is irrevocable; ~~and~~ (ii) shall specify the ~~Call Option Repayment Date and~~ (iii) ~~may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied at least 3 Business Days prior to such Call Option Repayment~~ CoC Redemption Date.
- (c) ~~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 early redemption – Cash Sweep~~**

- (a) ~~If the Group, on any Liquidity Testing Date, holds Cash Sweep Liquidity in excess of USD 70,000,000, the Issuer shall make a partial redemption of Outstanding Bonds in the amount of Cash Sweep Liquidity exceeding USD 70,000,000 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 in respect of the Bonds; and~~
  - (iii) ~~thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents, with any payment of principal being made at a price equal to 106.00 per cent. of the Nominal Amount of the redeemed Bonds.~~
- (b) ~~The prepayment shall be made on the next Interest Payment Date falling immediately after the Liquidity Testing Date.~~
- (c) ~~After the time any Super Senior Bonds are issued, any mandatory early redemption under this Clause 10.3 shall be applied towards interest and other outstanding amounts relating to the Bonds other than the Super Senior Bonds before being applied towards interest and other outstanding amounts relating to the Super Senior Bonds.~~

#### **~~10.4 Mandatory repurchase due to a Put Option Event~~**

- (a) ~~Upon the occurrence of a Put Option Event, each Bondholder shall have the right to require that the Issuer repurchases all or some of the Bonds held by that Bondholder at a price equal to 106.00 per cent. of the Nominal Amount of the repurchased Bonds (the “Put Option”).~~
- (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 5<sup>th</sup> 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 10.4 (Mandatory repurchase due to a Put Option Event), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at a price equal to 106.00 per cent. of the Nominal Amount 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.~~

#### **10.5 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.

#### **10.6 Mandatory early redemption due to a Mandatory Redemption Event**

Upon a Mandatory Redemption Event, the Issuer shall promptly, and in any event no later than on the date occurring two Business Days after the Long Stop Date, redeem all of the Outstanding Bonds at a price equal to 100.00 per cent. of the Nominal Amount thereof with the addition of any accrued and unpaid interest thereon. The Issuer may apply the funds deposited on the Escrow Account towards settlement of such redemption.

### **11. PURCHASE AND TRANSFER OF BONDS**

#### **11.1 Issuer's purchase of Bonds**

- (a) The Issuer and each other Group Company may purchase and hold Bonds not being Super Senior Bonds, and such Bonds may be retained or sold (but not cancelled) 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).~~
- (b) The Issuer may (subject to the Issuer Voting Undertaking having been executed) subscribe for, purchase and hold Super Senior Bonds and such Super Senior Bonds may be retained (but the Super Senior Bonds held by it and the rights pertaining thereto may not be sold or otherwise disposed of) in the Issuer's sole discretion. The Issuer shall cancel any Super Senior Bonds held by it upon any repayment of principal and interest of the WPUK Loan in an amount equal to such repayment pursuant to the terms of the WPUK Loan Agreement and Issuer Voting Undertaking.<sup>22</sup>

## 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, in any event, not later than four months after the end of each of its financial years.
- (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, in any event, not later than two months after the end of each financial quarter of each of its financial years, for the first time for the financial quarter ending on 31 December 2021.

### 12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, promptly upon the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*) and the making of any Incurrence Test pursuant to the terms hereof, a Compliance Certificate. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer:
  - (i) in respect of each Financial Report made available pursuant to Clause 12.1 (*Financial Reports*), certifying that the relevant Financial Report fairly represents its financial condition as at the date of that Financial Report, setting out (in reasonable detail) figures and computations evidencing compliance with Clause ~~13.25~~13.27 (*Financial Maintenance Covenants*) as at the relevant testing date and with a copy of that Financial Report attached thereto; and
  - (ii) in respect of each Incurrence Test to be made pursuant to the terms hereof, certifying that the Issuer complies with the relevant Incurrence Test under Clause ~~13.26~~13.28 (*Incurrence Test*) and contain figures and calculations evidencing (in reasonable detail) compliance with the relevant Incurrence Test.

- (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 (unless expressly disclosed to the Bond Trustee in writing to the contrary).
- (c) The Bond Trustee may make any Compliance Certificate available to the Bondholders.

### 12.3 ~~Put Option~~Change of Control Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a ~~Put Option~~Change of Control 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 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, only default interest in accordance with paragraph (c) of Clause 8.2 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
- (h) as soon as practically possible and, in any event, not later than 4 months after the end of each of its financial years, supply to the Bond Trustee a reserves report (i.e. a competent persons reports) in respect of any Licence held by any Group Company as at 31 December the previous financial year (in form and content satisfactory to the

Bond Trustee), each of which the Bond Trustee may make available to the Bondholders;

- (i) promptly upon request supply to the Bond Trustee or the Security Agent a copy of (i) any Licence or other Hydrocarbon Document and (ii) any documentation relating to the EnQuest Agreement and the Cairn Guarantee, or the EnQuest Agreement Cash Collateral and the Cairn Guarantee Cash Collateral requested by it (in each case, to the extent and in the manner permitted by any applicable confidentiality restrictions);
- (j) promptly upon becoming aware of it inform the Bond Trustee and the Security Agent of:
  - (i) any event which has resulted, or could reasonably be expected to result, in any revocation, withdrawal, cancellation, termination, suspension, forfeiture or material amendment of any Licence;
  - (ii) any acquisition of any Licence (or any shares or ownership interests in any company or entity holding any Licence), or any sale, transfer or other disposal (in whole or in part) of any Licence (or any shares or ownership interests in any Group Company holding any part of any Licence), in each case, made or to be made by any Group Company;
  - (iii) any failure by any Group Company to make any payment under any joint operating agreement, unitization and unit operating agreement or similar agreement to which it is party when due (together with the details of any actions taken or to be taken by it to rectify such failure); and
  - (iv) any litigation, arbitration or administrative proceedings or any judgment or order of any court, arbitral body or agency concerning (A) any Licence or (B) any other Hydrocarbon Document considered material in the context of the business or operations of any Group Company; and
- (k) once in every financial year (or more frequently if an Event of Default is continuing or the Bond Trustee reasonably suspects that an Event of Default is continuing), the chief executive officer or the chief financial officer of the Issuer must give a presentation to the Bondholders (collectively) about the on-going business and financial performance of the Group, in each case without undue delay after having been requested by the Bond Trustee to do so.

### **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 it shall ensure that each other Group Company will, obtain, renew and in all material respects comply with, and do all that is necessary to maintain in full force and

effect, any licence, authorisation or other consent required to enable it to carry on its business.

### **13.2 Compliance with laws**

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

### **13.3 Continuation of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by it, the Group or the Target Group as of the Issue Date (which, among other, means that any Group Company may act as either the operator or a licensee in respect of any Licence).

### **13.4 Corporate status**

The Issuer shall not, and it shall ensure that no other Group Company will, change its type of organisation or jurisdiction of incorporation, except that the Issuer shall, by no later than the date occurring 6 months after 14 September 2021, change its type of organisation to a public limited company under and in accordance with the UK Companies Act 2006.

### **13.5 Conduct of operations**

The Issuer shall, and it shall ensure that each other Group Company will, conduct its business and operations in accordance with acknowledged professional and industry standards within the relevant parts of the oil and gas industry, including good oil and gas field practice, in all material respects.

### **13.6 Distributions**

The Issuer shall not, and it shall ensure that no other Group Company will, make any Distribution ~~other than any Permitted Distribution~~.

### **13.7 Mergers, de-mergers and other corporate reconstruction**

The Issuer shall not, and it shall ensure that no other Group Company will, enter into any amalgamation, merger, demerger, consolidation or other corporate reconstruction (for the purpose of this Clause 13.7 only, each a "**reorganisation**") other than:

- (a) any sale, transfer or other disposal permitted pursuant to Clause 13.9 (*Disposals*) below; or
- (b) any solvent reorganisation of any Group Company (other than the Issuer), provided that:
  - (i) it is carried out at fair market value, on normal commercial terms and would not have a Material Adverse Effect;
  - (ii) any payments or assets distributed as a result of such reorganisation are distributed to another Group Company; and
  - (iii) if the transferring Group Company had granted Transaction Security over any assets being transferred to another Group Company, the receiving Group

Company grants equivalent Transaction Security over those assets on or prior to the completion of that transfer.

### 13.8 Acquisitions

The Issuer shall not, and it shall ensure that no other Group Company will, acquire any company, business, undertaking, shares or securities or any interest in any of the foregoing (other than by way of the Acquisition) unless it is made at fair market value, on normal commercial terms and would not have a Material Adverse Effect.

### 13.9 Disposals

The Issuer shall not, and it shall ensure that no other Group Company will, sell, transfer or otherwise dispose of any asset (for the purpose of this Clause 13.9 only, each a "**disposal**") other than:

- (a) any disposal of any oil and gas or any other current assets (in each case) in the ordinary course of business of the disposing Group Company;
- (b) any disposal of obsolete or redundant vehicles, plant and equipment for cash;
- (c) any disposal (in whole or in part) of any of the Cairn Licences (or any shares or ownership interests in any Group Company holding any part of any of the Cairn Licences), which:
  - (i) is carried out at fair market value, on normal commercial terms and would not have a Material Adverse Effect; and
  - (ii) if made by any Group Company:
    - (A) to another Group Company, provided that if the disposing Group Company had granted Transaction Security over the assets being disposed, the receiving Group Company grants equivalent Transaction Security over those assets on or prior to the completion of that disposal; or
    - (B) to any person not being another Group Company, ~~provided that the Issuer, in respect of such disposal, complies with the relevant requirements set out in paragraph (a)(ii) of Clause 10.3 (Mandatory repurchase due to a Put Option Event);~~
- (d) any disposal of any other asset (including, without limitation, the whole or part of any other Licence (or any ~~or any~~ shares or ownership interests in any Group Company holding any part of any such Licence)) in a manner consistent with, and as permitted under, the SPG Agreement, which:
  - (i) is carried out at fair market value, on normal commercial terms and would not have a Material Adverse Effect; and
  - (ii) if made by any Group Company:

- (A) to another Group Company, provided that if the disposing Group Company had granted Transaction Security over the assets being disposed, the receiving Group Company grants equivalent Transaction Security over those assets on or prior to the completion of that disposal; or
- (B) to any person not being another Group Company, provided that an amount equal to the net proceeds received by the Group from such disposal is applied within 12 months of receipt:
  - (1) towards the acquisition of any Licence (or any shares or ownership interests in any company or entity holding any Licence) or any other non-current assets required to uphold or develop the business or operations of the Group, provided (in each case) that a legally binding agreement for the acquisition of such asset has been entered into by the seller of that asset and the Group Company acquiring such asset within 6 months of receipt by the Group of such net proceeds from the relevant disposal (and, to the extent the disposed assets were subject to Transaction Security prior to such disposal, Transaction Security shall be created over the acquired assets at the date of acquisition); or
  - (2) towards the redemption of Bonds at a price equal to ~~(AA), if such redemption of Bonds takes place during the period commencing on the Issue Date and ending on the last date to occur before the First Call Date, the Call Price that would have applied if such redemption had taken place on the First Call Date and~~ (BB), ~~if such redemption of Bonds takes place after such period, the then applicable Call Price (in each case)~~ 100 per cent. of the Nominal Amount ~~thereof (plus for each Bond together with~~ accrued and unpaid interest ~~on the redeemed Bonds)~~ thereon, and in case of any ~~partly~~ redemption in part of the Bonds, such redemption shall be applied *pro rata* between the Bondholders in accordance with the procedures of CSD.

Notwithstanding the foregoing provisions, the Group shall not be required to apply such net proceeds as set out in paragraph (ii)(B)(2) above if the aggregate net proceeds from that disposal or, if such disposal forms part of a series of related disposals made by Group Companies under paragraph (ii)(B) above, such disposals are less than USD 10,000,000 (or its equivalent in other currencies).

### 13.10 Financial Indebtedness

The Issuer shall not, and it shall ensure that no other Group Company will, incur or maintain any Financial Indebtedness other than any Permitted Financial Indebtedness.

### **13.11 Negative pledge**

The Issuer shall not, and it shall ensure that no other Group Company will, create or allow to subsist any Security over any of its assets other than any Permitted Security.

### **13.12 Financial support**

The Issuer shall not, and it shall ensure that no other Group Company will, grant or allow to subsist (a) any loans or credits to any other person or (b) any guarantees or indemnities in respect of any obligation of any other person, in each case other than any Permitted Financial Support.

### **13.13 Share Issues**

The Issuer shall ensure that no other Group Company will issue any shares, other than to:

- (a) another Group Company; or
- (b) any existing minority shareholders of that Group Company, provided that such shares are issued *pro rata* to the shareholders of that Group Company on the basis of their respective ownership prior to such share issue,

in each case, provided that to the extent that the existing shares in that Group Company were subject to Transaction Security, equivalent Transaction Security shall be created over the new shares on or prior to the completion of that share issue.

### **13.14 Insurances**

The Issuer shall, and it shall ensure that each other Group Company will, take out and maintain insurances with financially sound and reputable insurance companies, funds or underwriters on and in relation to its business, operations and assets against such liabilities, casualties, contingencies and other risks and of such types, on such terms and to such extent, in each case, as is usual for prudent companies carrying on the same or substantially similar business or operations in accordance with acknowledged professional and industry standards in the relevant jurisdiction.

### **13.15 Arm's length transactions**

- (a) Notwithstanding any other provision set out herein, the Issuer shall not, and it shall ensure that no other Group Company will, enter into any transaction with any other person other than on arm's length terms.
- (b) Paragraph ~~(a) above~~(a) shall not apply in respect of the WPUK Loan.

### **13.16 SPG Agreement**

The Issuer shall, and shall ensure each other Group Company takes all steps necessary to, comply with the SPG Agreement.

### **13.17 ~~13.16~~ Tax loss carry-forward**

The Issuer shall not, and it shall ensure that no other Group Company will, take (or omit to take) any action if such action (or omission) would have a Material Adverse Effect on any tax loss carry-forward of any Group Company.



### 13.18 ~~13.17~~ Preservation of Liquidity

~~(a)~~ The Issuer and any other Group Company may make ordinary course payments related to the operation of its assets, including but not limited to, payments under its joint operating agreements and decommissioning security agreements, any payments made pursuant to the Finance Documents and any payments in respect of Financial Indebtedness constituting Permitted Financial Indebtedness under paragraph ~~(a)~~(n).

~~(b) The Issuer shall procure that all Liquidity in excess of USD 35,000,000 (including, for the avoidance of doubt, any Liquidity counted towards calculation in clause 13.25 (b) (Financial Maintenance Covenants) at the end of each financial quarter, commencing with the financial quarter ending on 30 September 2024, is swept into the Debt Service Reserve Account and may only be utilised with the consent of the Bond Trustee acting on the instructions of a simple majority of Bondholders.~~

### 13.19 ~~13.18~~ Acquisition Documents

The Issuer shall (a) promptly pay all amounts payable to the Vendor under the Acquisition Documents as and when they become due (except to the extent that any such amounts are being contested in good faith by the Issuer or another Group Company and where adequate reserves are set aside for any such payment) and (b) take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other Group Company) and pursue any claims and remedies arising under any Acquisition Documents.

### 13.20 ~~13.19~~ Hydrocarbon Documents

The Issuer shall, and it shall ensure that each other Group Company will, (a) promptly pay all amounts payable by it under the Hydrocarbon Documents as and when they become due (except to the extent that any such amounts are being contested in good faith by it and where adequate reserves are set aside for any such payment), (b) comply with all its other obligations under any Hydrocarbon Documents in all material respects (except to the extent that any such obligations are being contested in good faith by it and where adequate reserves are set aside for the handling of any such dispute and the potential outcome thereof), (c) take all reasonable and practical steps to preserve and enforce its rights, and pursue any claims and remedies, arising under any Hydrocarbon Documents and (d) not agree to (or vote in favour of) any amendment, waiver, cancellation or termination of any term of any Hydrocarbon Document if the same would have a Material Adverse Effect.

### 13.21 ~~13.20~~ Special undertakings

Notwithstanding any other provision set out herein, the Issuer shall not, and it shall ensure that no other Group Company will:

- (a) be or become party to any agreement or other arrangement (i) whereby any person (not being another Group Company) is or becomes entitled to any payment as a proportion of any present or future production of oil or gas, or any present or future sale proceeds, revenues or earnings, of or in respect of the Issuer or such other Group Company (whether secured or unsecured) or (ii) which involves any sale of call options, forward sale of any oil or gas or any similar arrangements for speculative purposes (other than any forward agreement made or to be made between the Issuer and Shell International Trading and Shipping Company Limited (for and on behalf of Shell Trading

International Limited) ("SITSC") pursuant to which SITSC shall be entitled to, at any time, purchase up to 500,000 barrels of oil from the Issuer and pay the Issuer the purchase price for such barrels prior to the date of delivery of such barrels at a price per barrel determined on the basis of the average price for Brent for the last calendar month ended prior to the date of such purchase, provided that SITSC is entitled to receive such barrels no later than on the date occurring 30 days after the date of that purchase in accordance with the terms of the relevant crude oil marketing agreement);

- (b) incur Non-Infrastructure-Led Exploration Expenditures in excess of USD 3,000,000 (or its equivalent in other currencies) during any financial year (in aggregate for the Group); or
- (c) be or become party to (or issue) any agreement or instrument evidencing the terms of any other Financial Indebtedness, which contains terms in respect of any financial maintenance covenants, which either are of a different type, or are of the same type but more restrictive on the Issuer and/or (the whole or any part of) the Group, than the Financial Maintenance Covenants set out herein.

#### 13.22 ~~13.21~~ **Pari passu ranking**

The Issuer shall ensure that at all times any unsecured and unsubordinated claims of the Bond Trustee and the Bondholders under the Finance Documents and any Permitted Hedging rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

#### 13.23 ~~13.22~~ **Further assurance**

- (a) Upon the acquisition (or, where applicable, incorporation) by any Group Company of any company (which upon the completion of that acquisition (or incorporation) becomes a Group Company), business, undertaking, shares or securities (or any interest in any of the foregoing) or any other asset which pursuant to the Agreed Security Principles shall become a Guarantor and/or become subject to Transaction Security (as applicable), the Issuer shall:

- (i) promptly inform the Bond Trustee and the Security Agent thereof; and
- (ii) ensure:
  - (A) that each such acquired (or incorporated) Group Company provides a Guarantee and accedes to the Intercreditor Agreement in the proper capacities; and
  - (B) that Transaction Security be created by or in respect of any such Group Company, business, undertaking, shares or securities (or any interest in any of the foregoing) or other asset to the extent and in the manner contemplated herein or in the Agreed Security Principles,

in each case, no later than at the date occurring 45 days after the acquisition (or incorporation) thereof.

- (b) Subject to the Agreed Security Principles, the Issuer shall further ensure that any required or customary filings, recordings, notifications or similar actions in respect of any Transaction Security be made or taken, and use all reasonable endeavours to obtain any required or customary acknowledgements or confirmations in respect of any Transaction Security, in each case, as soon as reasonably practicable and in any event within any applicable (required or customary) deadline.

#### 13.24 ~~13.23~~ Required hedging

The Issuer shall not later than on 31 December 2021 enter into one or more hedging agreements (in the form of one or more put options) with one or more reputable providers of such hedging arrangements for the hedging of not less than 75.00 per cent. of the Forecasted Oil Production at an oil price of minimum USD 55.00 per barrel for a period of not less than 18 months commencing at the date of the first of such hedging agreements, which hedging arrangements shall remain in full force and effect during such entire 18-month period. If the Issuer at any time does not comply with the requirements set out in this Clause ~~13.23~~13.24, such breach shall not constitute an Event of Default, but the Interest Rate shall increase by 2.00 per cent. per annum from and including the date when such breach first occurs to and including the date on which such breach is remedied and such requirements are complied with.

#### 13.25 ~~13.24~~ Subsidiary distribution

The Issuer shall ensure that no other Group Company creates or permits to subsist any contractual restriction on its right to declare, make or pay dividends or other distributions to its shareholders, other than such restrictions which are not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

#### 13.26 Bondholder Financial Adviser

- (a) The Bond Trustee may (upon the instructions of a simple majority of the Bondholders) appoint a Bondholder Financial Adviser at the cost of the Issuer.
- (b) In the event a Bondholder Financial Adviser is appointed, the Issuer shall enter into the appropriate documentation (fee letters or other documentation) as the Bond Trustee may reasonably request to formalise the requirement to reimburse the Bond Trustee for the costs incurred in connection with the appointment of the Bondholder Financial Adviser as set out in paragraph (a) above.
- (c) The Issuer shall work with the Bondholder Financial Adviser on an ongoing basis and provide all information reasonably required by the Bondholder Financial Adviser to fulfil their scope of engagement as set out in the Bondholder Financial Adviser's engagement letter with the Bond Trustee.

#### 13.27 ~~13.25~~ Financial Maintenance Covenants

The Issuer shall ensure that:

- (a) the ratio of Total Net Debt to EBITDA at all times is less than 2.00:1; and

- (b) the Liquidity ~~at all times is~~ not less than USD 10,000,000 (or its equivalent in other currencies) on the last day of each calendar month.

**13.28    ~~13.26~~ Incurrence Test**

The Incurrence Test is met if:

~~(a)~~ with respect to any Additional Bonds, Unsecured Debt or Surety Bond, the ratio of Total Net Debt to EBITDA is less than 1.50:1; ~~and~~.

~~(b) with respect to any Permitted Distribution:~~

~~(i) the Liquidity is not less than USD 75,000,000 (or its equivalent in other currencies); and~~

~~(ii) in respect of any such Permitted Distribution to be made during the last 12 month period prior to the Maturity Date only, the ratio of Total Net Debt to EBITDA is less than 0.50:1.~~

**13.29    ~~13.27~~ Calculations and adjustments to the Financial Maintenance Covenants and Incurrence Test**

(a) The requirements forming part of:

- (i) the Total Net Debt to EBITDA shall be calculated and tested at the last day of each successive financial quarter of each of the Issuer's financial years (for the first time at the last day of the financial quarter ending on 31 December 2021);
- (ii) the Liquidity shall be calculated and tested at the last day of each month (and for the first time on 31 July 2024, each a "Liquidity Testing Date");
- (iii) any Incurrence Test shall be calculated at a testing date determined by the Issuer falling no earlier than one month prior to the event in respect of which the Incurrence Test shall be made; and
- (iv) both the Financial Maintenance Covenants and any Incurrence Test shall (unless otherwise set out below) be:
  - (A) tested with reference to the relevant Financial Report(s) and the compliance certificate(s) relating thereto; and
  - (B) calculated in accordance with the Accounting Standard, accounting practices and financial reference periods consistent with those applied in its previous Financial Reports published (or delivered) pursuant to the terms hereof (unless, there has been a change in that Accounting Standard or those accounting practices, and the Issuer delivers to the Bond Trustee a statement (in form and content satisfactory to the Bond Trustee) (1) describing in reasonable detail any change necessary for the Financial Reports referred to in paragraph (iii)(A) above to reflect the Accounting Standard or accounting practices upon which such previous Financial Reports were prepared and (2) confirming that the relevant Financial

Maintenance Covenants or Incurrence Test (as applicable) would still have been complied with had such changes not been made).

- (b) For the purpose of calculating the requirements forming part of:
- (i) the Financial Maintenance Covenants, the Total Net Debt shall be calculated as at the last day of the relevant financial quarter;
  - (ii) any Incurrence Test, the Total Net Debt shall be calculated as at the relevant testing date with the following adjustments:
    - (A) the full (i.e. unutilised and utilised) commitment or facility of any new Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Total Net Debt; and
    - (B) any cash balance resulting from the incurrence of such new Financial Indebtedness (including, for the avoidance of doubt, any Cash resulting from the release of the EnQuest Agreement Cash Collateral and the Cairn Guarantee Cash Collateral) shall not reduce the Total Net Debt; and
  - (iii) the Financial Maintenance Covenants and any Incurrence Test, EBITDA shall be calculated on a 12-month rolling basis by reference to the amount of EBITDA derived from the relevant Financial Report(s) for such 12-month period (and the Compliance Certificate(s) relating thereto) with the following adjustments (where no amount shall be included or excluded more than once):
    - (A) any company, business or undertaking, including any Licence or any part of any company, business or undertaking which comprises any Licence, acquired or disposed of by the Group during such period, or, in the case of any Incurrence Test only, after the end of that period but before the relevant testing date, shall be included or excluded (as applicable) pro forma for the entire period; and
    - (B) in the case of any Incurrence Test only, any company, business or undertaking, including any Licence or any part of any company, business or undertaking which comprises any Licence, to be acquired with the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall be included, pro forma, for the entire period; ~~and.~~
  - ~~(iv) in the case of any Incurrence Test only, the Liquidity shall be calculated as at the relevant testing date on a pro forma basis as if the relevant Permitted Distribution had just been made.~~

## **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 or the Parent 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 or the Parent does not comply with any provision of the Finance Documents or the SPG Agreement 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 or the Parent 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 or the Parent:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period;
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or

- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 5,000,000 (or the equivalent thereof in any other currency).

(e) *Cross acceleration*

If, provided that the Issuer has issued Super Senior Bonds, for any member of the Waldorf Group on or after 31 July 2024 (or such later date as consented to by the Bond Trustee, acting on the instructions of a simple majority of the Bondholders):

- (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),

provided however that the aggregate amount of such Financial Indebtedness falling within paragraphs (i) to (ii) above exceeds a total of USD 5,000,000 (or the equivalent thereof in any other currency).

(f) *Insolvency and insolvency proceedings*

Any Group Company or the Parent:

- (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 (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.

(g) *Creditor's process*

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

(h) *Unlawfulness*

It is or becomes unlawful for an Obligor or the Parent 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 or the Parent 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);~~ 100 per cent. of the Nominal Amount for each Bond together with accrued and unpaid interest thereon.

~~(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, unless otherwise specified herein.

- (h) The Bonds (including the ~~Super Senior~~New Money Bonds, if and when issued) shall vote as one, joint creditor class in all matters, provided that no action, waiver or amendments (to the detriment of the respective Bondholders) may be implemented adversely affecting only or disproportionately (in the opinion of the Bond Trustee) either the Bondholders of the Senior Bonds ~~other than the~~, Super Senior Bonds, or ~~the Super Senior Bonds (respectively)~~New Money Bonds (if issued) relative to the Bondholders of the other Bonds without the support of the requisite majority of Bonds by the affected class (under its respective ISIN).

## **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 Obligor, 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 paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (~~Put~~ Option/Change of Control 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;
  - (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, any other Obligor or the Parent or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

### **19.4 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
  - (i) irrevocably appoints Advokatfirmaet Thommessen AS (org. no. 957 423 248) as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
  - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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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:**

<b>The Issuer:</b>  <b>Waldorf Production UK PLC</b>  .....  By:  Position:	<b>As Bond Trustee and Security Agent:</b>  <b>Nordic Trustee AS</b>  .....  By:  Position:
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**ATTACHMENT 1  
COMPLIANCE CERTIFICATE**

[date]

**Waldorf Production UK ~~PLC~~plc Senior Secured ~~Callable~~—Bond Issue 2021/~~2024~~2027  
ISIN NO0011100935 and ISIN NO0013280206**

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 12.2 of the Bond Terms a Compliance Certificate shall be issued in connection with [each delivery of Financial Reports to the Bond Trustee]/[with an Incurrence Test for the purpose of [issuing Additional Bonds/Surety Bond]/[incurring Unsecured Debt]/~~[making a Distribution]~~].

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 consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause ~~13.25~~13.27 (*Financial Maintenance Covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.]

[The Incurrence Test set out in Clause ~~13.26~~13.28 (*Incurrence Test*) are met, please see the calculations and figures in respect of the ratios attached hereto.]

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

Yours faithfully,  
**Waldorf Production UK ~~PLC~~plc**

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*Name of authorised person*

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



**ATTACHMENT 2**  
**RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**Waldorf Production UK ~~PLC~~plc Senior Secured ~~Callable~~ Bond Issue 2021/~~2024~~2027**  
**ISIN NO0011100935 and ISIN NO0013280206**

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,

**Waldorf Production UK ~~PLC~~plc**

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Name of authorized person

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