



**HÖEGH LNG**

**Securities Note**

**for**

**ISIN: NO 0010873755  
FRN Höegh LNG Holdings Ltd.  
Senior Unsecured Bond Issue 2020/2025**

Oslo, 5 May 2020

Joint Lead Managers:

**Danske** Bank

**DNB**  
MARKETS

**Nordea**

**Swedbank**

**ABN·AI**

**Important information\***

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

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

**MiFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "MiFID II"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

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

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

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

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

This Securities Note included the Summary together with the Registration Document dated 5 May 2020 and any supplements to these documents constitute the Prospectus.

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

Please contact the Borrower or any of the Joint Lead Managers to receive copies of this Securities Note.

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Bonds and the impact the Bonds will have on their overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

\*The capitalised words used in the section "Important Information" and elsewhere in this Securities Note are defined in Chapter 4: "Detailed information about the securities".

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# 1 Summary

Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

## A Introduction and warning

Disclosure requirement	Disclosure
Warning.	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, has to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
Name and international securities identification number ('ISIN') of the securities.	ISIN: NO0010873755 FRN Höegh LNG Holdings Ltd. Senior Unsecured Bond Issue 2020/2025.
Identity and contact details of the issuer, including its legal entity identifier ('LEI').	Höegh LNG Holdings Ltd., Canon's Court, 22 Victoria Street, HM12 Hamilton, Bermuda. The Company's telephone number is +1441 295 2244. Registration number BM-39152.and LEI-code (legal entity identifier): 213800XJSJUK2MTDZU65.
Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market.	Not applicable. There is no offeror, the prospectus has been produced in connection with listing of the securities on the Oslo Børs. The Issuer is going to ask for admission to trading on a regulated market.
Identity and contact details of the competent authority that approved the prospectus	Financial Supervisory Authority of Norway (Finanstilsynet), Revierstredet 3, 0151 Oslo. Telephone number is +47 22 83 39 50. E-mail: <a href="mailto:prospekter@finanstilsynet.no">prospekter@finanstilsynet.no</a> .
Date of approval of the prospectus.	The Prospectus was approved on 5 May 2020.

## B Key information on the Issuer

Disclosure requirement	Disclosure
<i>Who is the issuer of the securities</i>	
Domicile and legal form	The company is an exempted company limited by shares organized under the laws of Bermuda and subject to the Bermuda Companies Act. Certain aspects of the Company's activities are governed by Norwegian law pursuant to the listing agreement between Oslo Børs (the Oslo Stock Exchange) and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will apply. LEI-code ((legal entity identifier): 213800XJSJUK2MTDZU65.
Principal activities	<p>Höegh LNG is a fully Integrated LNG infrastructure company offering LNG transportation services, LNG regasification, terminal solutions and in-house ship management services. The company is a leader in the sector with more FSRUs than any other company. A strong emphasis on safety, technological development and operational excellence dates back more than 45 years when the LNG carrier Norman Lady was delivered in 1973.</p> <p>Höegh LNG is company incorporated in Bermuda, with established presence in Norway, Singapore, UK, USA, Indonesia, Lithuania, Egypt, Colombia, Philippines and China. Höegh LNG Holdings Ltd. is listed on Oslo stock exchange with the ticker "HLNG", and has established a Master Limited Partnership, Höegh LNG Partners LP, that is listed on the New York Stock Exchange with the ticker "HMLP".</p> <p>FSRUs have established themselves as a proven technology for accessing the global LNG market, and Höegh LNG has identified multiple advantages over traditional onshore import terminals.</p> <ul style="list-style-type: none"> <li>• Less capital intensive (c. 1/2 of the installation cost)</li> <li>• Faster to install (down to 6 months vs. 4-5 years)</li> </ul>

	<ul style="list-style-type: none"> <li>• Flexibility (to relocate the FSRU or use it as an LNG Carrier)</li> </ul> <p>In addition to the standard FSRU setup with pipeline to shore with regasified LNG, it can serve as a hub for LNG such as:</p> <ul style="list-style-type: none"> <li>• Small-scale distribution at sea - reloading LNG to smaller carriers serving other demand centres</li> <li>• Small-scale distribution onshore - reloading LNG on to trucks for onwards distribution by road</li> <li>• Bunkering - providing LNG as marine fuel, directly or by smaller shuttles</li> <li>• Connectivity to shore - adaptable to local conditions by jetty or other mooring solutions</li> </ul> <p>Höegh LNG has ten modern FSRUs in its fleet and is uniquely positioned to provide customers with the crucial energy infrastructure necessary to access the readily available supply of LNG in the global marketplace.</p> <ul style="list-style-type: none"> <li>• Höegh LNG strives for the best achievable safety record and are firmly committed to environmental sustainability</li> <li>• Höegh LNG has experience from operating FSRUs in several countries, including China</li> <li>• Höegh LNG has operational experience that has enabled cost optimisation and lower unitized regas costs (including combined and closed loop operations in cold water conditions)</li> <li>• Höegh LNG has in-house engineering expertise and is a leader in project structuring, finance and execution</li> </ul> <p>Höegh LNG and its strongly committed personnel deliver reliable and cost-effective regasification services across five continents.</p> <p>Höegh LNG operates its assets to the highest technical standards and prioritise safety, cost efficiency and the environment. We actively seek to exceed international standards and local rules for health, safety, security and working environment (HSE).</p> <p>Höegh LNG believes accidents can be prevented by:</p> <ul style="list-style-type: none"> <li>• Building a company culture which reinforces safety awareness among employees</li> <li>• Ensuring practical and well-considered risk management onboard and ashore</li> <li>• Learning through analysing accidents and near accidents</li> <li>• Continuous improvement of procedures and routines including skills of personnel and emergency preparedness</li> </ul>
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<p>As of the date of this Prospectus, Leif Høegh &amp; Co Ltd (48.88%) and Citibank Europe Plc (7.05% + 4.76%) owns or controls more than 5% of the issued share capital in the Company. However, Citibank Europe Plc two accounts (7.05% + 4.76%) are nominee accounts with other beneficial owners.</p> <p>As at the date of this Prospectus, Leif Høegh &amp; Co Ltd has in principle negative control of the Company due to the 48.88% shareholding in the Company. To the extent known to the Company, there are no persons or entities, other than Leif Høegh &amp; Co Ltd that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.</p> <p>The company has measures in place to ensure that the shareholding of 48.88 % by Leif Høegh &amp; Co Ltd. is not abused: The board has committed the company to good corporate governance and the company has adopted and implemented a corporate governance system which, other than as stated in its annual corporate governance reports, complies with the Norwegian code of practice for corporate governance. Amongst other things, independent directors have been appointed chairmen of the board committees and independent valuations of any material transactions between the company and a major shareholder are required to be obtained. The composition and independence of the Board is described in the governing principles policy of Høegh LNG as such is approved by the board. The board may consist of up to 10 directors appointed by the annual general meeting. Currently, the board consists of seven directors.</p>																																																																																																										
<b>Management</b>	<table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Sveinung J. S. Støhle</td> <td>President and Chief executive officer (CEO)</td> </tr> <tr> <td>Håvard Furu</td> <td>Chief financial officer</td> </tr> <tr> <td>Richard Tyrrell</td> <td>Chief development officer</td> </tr> <tr> <td>Øivin Iversen</td> <td>Chief technical officer</td> </tr> <tr> <td>Vegard Hellekleiv</td> <td>Chief operations officer</td> </tr> <tr> <td>Tom Solberg</td> <td>Chief of staff</td> </tr> <tr> <td>Camilla Nyhus-Møller</td> <td>Chief legal &amp; compliance officer</td> </tr> <tr> <td>Ragnar Wisløff</td> <td>Head of changes and transformation</td> </tr> </tbody> </table>	Name	Position	Sveinung J. S. Støhle	President and Chief executive officer (CEO)	Håvard Furu	Chief financial officer	Richard Tyrrell	Chief development officer	Øivin Iversen	Chief technical officer	Vegard Hellekleiv	Chief operations officer	Tom Solberg	Chief of staff	Camilla Nyhus-Møller	Chief legal & compliance officer	Ragnar Wisløff	Head of changes and transformation																																																																																							
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Amount in USD million	2018 (FY) Audited	2019 (FY) Audited
Operating profit	143.2	108.4
Net financial debt (long term debt plus short term debt minus cash)	1250.8	1 566.0
Net Cash flows from operating activities	170.2	225.6
Net Cash flows from financing activities	204.6	-13.4
Net Cash flow from investing activities	-369.8	-183.2

There is no description of any qualifications in the audit report in Annual Report 2018 and in Annual Report 2019.

What is the key risk factors that are specific to the issuer	
Most material key risk factors	<ul style="list-style-type: none"> <li>The company depends on the performance of the charterers of its vessels for its operating cash flow.</li> <li>The company's subsidiaries or affiliates may experience operational problems with vessels that could reduce revenue, increase costs or lead to termination of time charters.</li> <li>Høegh LNG is exposed to operational risks associated with loading, transporting, offloading, storing and regasifying LNG cargoes, which can cause delays to operations. In addition, difficulties presented by port constraints, weather conditions, and vessel compatibility and performance can affect the results of operations.</li> <li>The company will from time to time be subject to commercial disagreements, contractual disputes and litigation with its counterparties and others which may not be resolved in its favour.</li> <li>The company may not be able to redeploy its FSRUs on terms as favourable as the company's or its joint venture's current FSRU time charters or at all.</li> <li>Hire rates for FSRUs may fluctuate substantially. If rates are lower when seeking a new charter, the group's earnings may decline.</li> <li>Absence of available financing and capital to fund capital expenditures could have a material adverse effect on the group's business, financial condition and results of operations. In addition, incurring additional debt may significantly increase interest expense and financial leverage, and issuing additional equity securities may have a negative effect on the Group's prospects and financial condition.</li> <li>More expensive and time consuming drydocking or underwater survey.</li> </ul>

### C Key information on the securities

Disclosure requirements	Disclosure
What are the main features of the securities	
Description of the securities, including ISIN code.	<p>ISIN code NO0010873755 Høegh LNG Holdings Ltd. Senior Unsecured Bond Issue. Issue date 30 January 2020. Maturity Date: 30 January 2025.</p> <p>Floating interest rate, payable 30 January, 30 April, 30 July and 30 October in each year. Any adjustment will be made according to the Business Day Convention. Coupon Rate is Reference Rate + Margin, where Reference Rate means 3 months NIBOR and Margin (6.00 per cent per annum). Current Coupon Rate: 7,80 % p.a. for the interest period ending on 30 April 2020. First tranche/Initial Bond Issue: NOK 650,000,000.</p> <p>Issuer has Call Option and Bondholders' Put Option.</p> <p>Dependent on the market price. Yield for the Interest Period (30 January 2020 – 30 April 2020) is 8.0302 % p.a. assuming a price of 100 %.</p> <p>Nordic Trustee AS (as the Bond Trustee) enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p>
Description of the rights attached to the securities, limitations to	<b>Voluntary early redemption - Call Option</b>

<p>those rights and ranking of the securities.</p>	<p>(a) The Issuer may redeem all or any part of the Outstanding Bonds (the “Call Option”) on any Business Day from and including:</p> <p>(i) the First Call Date to, but not including, the Interest Payment Date falling four years and six months after the Issue Date, at a price equal to 102.00 per cent of the Nominal Amount for each redeemed Bond; and</p> <p>(ii) the Interest Payment Date falling four years and six months after the Issue Date to, but not including, the Maturity Date at a price equal to 101.00 per cent of the Nominal Amount for each redeemed Bond.</p> <p>(b) Any redemption of Bonds pursuant to Clause 10.2 (a) in the Bond terms shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.</p> <p>(c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.</p> <p>(d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.</p> <p><b>Mandatory repurchase due to a Put Option Event</b></p> <p>(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “Put Option”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.</p> <p>(b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (Put Option Event) in the Bond Terms. Once notified, the Bondholders’ right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.</p> <p>(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth 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.</p> <p><b>Clean-up Call</b></p> <p>If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased following completion of a Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph 10.3 (a) in the Bond terms by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.</p> <p><b>Early redemption option due to a tax event</b></p> <p>If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (Taxation) in the Bond terms as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.</p> <p>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</p> <p>Denomination: NOK 500,000 - each and ranking pari passu among themselves. Minimum subscription and allotment amount shall be NOK 1,500,000 (and in no event less than EUR 100,000). And integral multiples of NOK 500,000 in excess thereof.</p>
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Status of the bonds and transaction security	The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds shall rank ahead of subordinated capital.  The Bonds are unsecured.
Any restrictions on the free transferability of the securities.	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 to ensure 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.  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.
<i>Where will the securities be traded</i>	
Indication as to whether the securities offered are or will be the object of an application for admission to trading.	An application for admission to trading on the Oslo Børs will be made once the Prospectus has been approved.
<i>Is there a guarantee attached to the securities?</i>	Not applicable. There is no guarantee attached to the securities.
<i>What are the key risks that are specific to the securities</i>	
Most material key risks	<ul style="list-style-type: none"> <li>• The company's ability to generate cash flow and to repay its indebtedness will depend on the company's future performance. The future performance of the Company will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled.</li> <li>• There can be no assurance given regarding the future development of a trading market for the Company's securities.</li> <li>• The pricing of the securities can be volatile, and it may be difficult or even impossible to trade and sell securities in the secondary market.</li> <li>• The Issuer's subsidiaries own significant parts of the company's assets. Accordingly, repayment of indebtedness will depend upon the ability of such subsidiaries to make cash available to it, by dividend, debt repayment or otherwise. Furthermore, any unsecured securities issued by the company will be structurally subordinated to the liabilities of any of the subsidiaries and to any secured debt.</li> </ul>

**D Key information on the admission to trading on a regulated market**

Disclosure requirements	Disclosure																
Under which conditions and timetable can I invest in this security?	<p>The Loan was initially offered to professional, certain non-professional and eligible investors prior to the Issue Date 30 January 2020. The Loan is freely negotiable, however certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. There is no market-making agreement entered into in connection with the Bond Issue. The estimate of total expenses related to the issue are as follow:</p> <table border="1"> <thead> <tr> <th>External party</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>The Norwegian FSA</td> <td>NOK 67,000</td> </tr> <tr> <td>The stock exchange</td> <td>NOK 40,000</td> </tr> <tr> <td>The Bond Trustee, p.a.</td> <td>NOK 138,000</td> </tr> <tr> <td>Legal fee</td> <td>NOK 450,000</td> </tr> <tr> <td>Listing Agent</td> <td>NOK 90,000</td> </tr> <tr> <td>The Lead Managers</td> <td>NOK 13,650,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>NOK 14,435,000</b></td> </tr> </tbody> </table> <p>Admission to trading on a regulated market will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.</p>	External party	Cost	The Norwegian FSA	NOK 67,000	The stock exchange	NOK 40,000	The Bond Trustee, p.a.	NOK 138,000	Legal fee	NOK 450,000	Listing Agent	NOK 90,000	The Lead Managers	NOK 13,650,000	<b>Total</b>	<b>NOK 14,435,000</b>
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The Lead Managers	NOK 13,650,000																
<b>Total</b>	<b>NOK 14,435,000</b>																
Why is the prospectus being produced	In connection with listing of the securities on the Oslo Børs.																

Reasons for the admission to trading on a regulated market and use of.	<p><i>Use of proceeds</i></p> <p>The Issuer intends to use the net proceeds from the Initial Bond Issue as follows:</p> <ul style="list-style-type: none"> <li>• Approximately NOK 585 million for partly repayment of HLNG 02 bond, ISIN: NO 001 0739683</li> <li>• Approximately NOK 51 million for general corporate purposes of the group.</li> </ul> <p>The Issuer will use the net proceeds from the issuance of any Additional Bonds for the general corporate purposes of the group.</p> <p>Estimated net amount of the proceeds is approximately: NOK 636 million</p>
Underwriting agreement	Not applicable. The prospectus has been produced in connection with listing of the securities on the Oslo Børs and not in connection with an offer.
Description of material conflicts of interest to the issue including conflicting interests.	<p>The involved persons in the Issue have no interest, nor conflicting interests that are material to the Bond Issue.</p> <p>Danske Bank, Norwegian Branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp, filial i Norge, Swedbank Norge, branch of Swedbank AB (publ) and ABN AMRO Bank N.V. have assisted the Company in preparing the Prospectus. The Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in the Prospectus and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.</p>

## 2 Risk factors

Investing in the Bonds issued by Höegh LNG Holdings Ltd. (“Borrower” or “Issuer”) involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer’s business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the Bonds.

Prospective investors should also read the detailed information set out in the Registration Document dated 5 May 2020 and reach their own conclusions prior to making any investment decision.

In each category below, the Issuer sets out the most material risk, in the Issuer’s assessment, taking into the negative impact of such risk on the Issuer and the bonds and the probability of its occurrence. If any of the following risk were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Company’s business, results of operations, cash flows, financial conditions and/or prospects, which may cause a decline in the value of the Bonds and a loss of part or all of your investment.

### **Risk related to the Bonds**

*Servicing of the debt obligations under the bonds is dependent on the Group’s future performance and its ability to generate cash*

Höegh LNG’s ability to make principal or interest payments when due in respect of our financial indebtedness, including the Bonds, is dependent on the group’s future performance and its ability to generate cash which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond our control. In addition to debt service, the group will also need significant amounts of cash to fund its business and operations. If the Group is unable to generate sufficient cash flow from operations in the future to service its debt, the Issuer may be required to refinance all or a portion of its existing debt, including the Bonds, or to obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained. Inability to obtain such refinancing or financing may have a material adverse effect on the Issuer’s business, results of operations, financial position and/or cash flow.

*The Bonds are unsecured and rank behind certain lenders*

The Bonds are unsecured and therefore will be effectively subordinated to any existing or future secured debt to the extent of the value of the assets securing the debt. In the event of a bankruptcy or similar proceeding involving us, the assets that serve as collateral will be available to satisfy the obligations under any secured debt before any payments are made on the Bonds. The Bonds may also be structurally subordinated to any debt owed by subsidiaries of Höegh LNG. Because of the unsecured nature of the Bonds and other secured and structurally senior indebtedness of the group, there is a risk that the bondholders’ claims against Höegh LNG in an event of insolvency or liquidation may not be covered in full, partly or at all.

*The can be no guarantee that covenants will be complied with*

Höegh LNG’s ability to comply with covenants and restrictions contained in its financing arrangements may be affected by events beyond its control, including prevailing economic, financial and industry conditions.

*The company’s operations and ability to make payments on the Bonds are dependent on the continued performance of its subsidiaries*

Höegh LNG’s is a holding company and its subsidiaries conduct substantially all operations and own the operating assets. As a result, Höegh LNG’s ability to make required payments on the Bonds depends entirely on the operations of its subsidiaries and its subsidiaries’ ability to distribute funds to Höegh LNG.

*The market for trading the Bonds may prove to be illiquid and prices may fluctuate, and is subject to macroeconomic disruptions*

There is no existing market for the Bonds, and no assurances can be provided as regards the future development of a market for the Bonds, and, therefore, the liquidity of the Bonds and the volume it is traded in cannot be guaranteed. This may apply even if the Bonds are listed and there are no market-makers agreements in place or intended to be established in order to secure a liquid market for the Bonds after the Issue date.

The liquidity of the trading market and future trading prices of the Bonds will depend on many factors, including, among other things, prevailing interest rates, the group’s operating results, financial performance and prospects, the market for

similar securities and the overall securities market, and may be adversely affected by unfavourable changes in these factors.

It is possible that the market for the Bonds will be subject to disruptions that may have a negative effect on the holders of the Bonds, regardless of the group's operating results, financial performance or prospects. Any such disruptions could adversely affect the prices at which investors may sell their Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial placement, depending on prevailing interest rates, the market for similar bonds, the performance of the group and other factors, many of which are beyond the Issuer's control.

*The Bonds are subject to optional redemption*

The terms and conditions of the Bonds will provide that the Bonds shall be subject to optional redemption by the Issuer at pre-agreed price after the relevant call date or at their outstanding principal amount, plus accrued and unpaid interest, plus in some cases a premium calculated in accordance with the terms and conditions. This is likely to limit the market value of the Bonds.

*Purchase or transfer of the Bonds may be subject to restrictions*

While the Bonds are freely transferable and may be pledged, any Bondholder may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its places for doing business or similar), including, but not limited to, specific transfer restrictions applicable to Bondholders located in the United States, each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.

*The Issuer may not have sufficient funds to redeem the Bonds in a change of control event*

Upon the occurrence of a change of control event (as defined in the Bond terms), each individual bondholder has a right of pre-payment of the Bonds at a price of 101 per cent of par value plus all accrued and unpaid interest to the date of redemption. However, it is possible that the Issuer will not have sufficient funds at the time of the change of control event to make the required redemption of the Bonds. The Issuer's failure to redeem the Bonds would constitute an event of default under the Bond terms. The terms and conditions of the Bond Terms will allow for modification of the Bonds and waivers that may be implemented without the consent from each Bondholder.

*The trustee may take actions or make omission which is decided by a requisite majority of the bondholders*

The Bond Terms will contain provisions for calling meetings of bondholders. These provisions permit defined majorities to make decisions affecting and binding all bondholders. The trustee may, without the consent of the bondholders, agree to certain modifications of the bond agreement and other finance documents which, in the opinion of the trustee, are proper to make.

### 3 Persons responsible

#### **3.1 Persons responsible for the information**

Persons responsible for the information given in the Prospectus are:

Höegh LNG Holdings Ltd., Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

#### **3.2 Declaration by persons responsible**

##### **Responsibility statement**

Höegh LNG Holdings Ltd. Confirms that the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Bermuda, 5 May 2020

Höegh LNG Holdings Ltd.

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Sveinung J. S. Støhle  
President and CEO

#### **3.3 Experts' report**

No statement or report attributed to a person as an expert is included in the Securities Note.

#### **3.4 Third party information**

There is no information given in this Securities Note sourced from a third party.

#### **3.5 Competent Authority Approval**

Höegh LNG Holdings Ltd. confirms that:

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

## 4 Detailed information about the securities

ISIN code:	NO 0010873755
The Bond Issue/The Reference Name/The Bonds:	"FRN Höegh LNG Holdings Ltd. Senior Unsecured Bond Issue 2020/2025".
Borrower/Issuer:	Höegh LNG Holdings Ltd., a limited company incorporated in Bermuda with registration number 39152.
Security Type:	Unsecured Bond issue with floating rate.
Bondholder:	A holder of Bonds.
Borrowing Limit – Tap Issue:	NOK 1 300 000 000
Borrowing Amount/First Tranche:	NOK 650 000 000
Denomination – Each Bond:	NOK 500 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	30 January 2020.
Interest-bearing from and including:	Disbursement/Settlement/Issue Date.
Interest-bearing to:	Maturity.
Maturity:	30 April 2025.
Reference Rate:	3 months NIBOR.
Margin:	6.00% p.a.
Coupon Rate:	NIBOR + Margin. 7.80 % for the Interest Period (30 January 2020 – 30 April 2020).
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	Modified following. If the Interest Payment Date is not a Business Day, the Interest Payment Date shall be postponed to the next Business Day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first Business Day preceding the original date.
Interest-rate Determination Date:	28 January 2020, and thereafter two Business Days prior to each Interest-rate Adjustment Day.
Interest-rate Adjustment Date:	With effect from Interest Payment Date.
Interest Payment Date:	30 January, 30 April, 30 July and 30 October in each year (as adjusted in accordance with the Business day Convention), the first being 30 April 2020.
#Days first term:	91 days.
Issue Price:	100% (par value).
Yield:	Dependent on the market price. Yield for the Interest Period from 30 January 2020 to 30 April 2020 is 8.0302 % p.a. assuming a price of 100%.

The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» prepared by Norske Finansanalytikeres Forening in 2001.

[http://www.finansanalytiker.no/innhold/publikasjoner/Konvensjoner\\_oktober14.pdf](http://www.finansanalytiker.no/innhold/publikasjoner/Konvensjoner_oktober14.pdf)

- Business Day:** means a day on which the relevant CSD settlement system is open, the relevant Bond currency settlement system is open and which is a banking day in London and New York.
- Call options:** **Voluntary early redemption - Call Option**
- (a) The Issuer may redeem all or any part of the Outstanding Bonds (the "Call Option") on any Business Day from and including:
    - (i) the First Call Date to, but not including, the Interest Payment Date falling four years and six months after the Issue Date, at a price equal to 102.00 per cent of the Nominal Amount for each redeemed Bond; and
    - (ii) the Interest Payment Date falling four years and six months after the Issue Date to, but not including, the Maturity Date at a price equal to 101.00 per cent of the Nominal Amount for each redeemed Bond.
  - (b) Any redemption of Bonds pursuant to Clause 10.2 (a) in the Bond terms shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
  - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
  - (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.
- Put options:** **Mandatory repurchase due to a Put Option Event**
- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
  - (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (Put Option Event) in the Bond Terms. Once notified, the Bondholders' right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.
  - (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 fifth 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.
- Clean-up Call:** If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased following completion of a Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
- Early redemption:** **Early redemption option due to a tax event**  
If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (Taxation) in the Bond Terms as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to

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	<p>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.</p>
Amortisation:	The Bonds will run without instalments and be repaid in full at Maturity at par.
Redemption:	Matured interest and matured principal will be credited to each Bondholder directly from the Securities Depository. Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the limitation of period claims of May 18 1979 no 18, at present three years for interest rates and 10 years for principal.
Status of the Bonds:	<p>The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>
Special issues applicable to the Issuer	<p>During the term of the Bonds, the Issuer shall (unless otherwise permitted under the Bond Agreement, or the Trustee or the Bondholders' meeting (as the case may be) has otherwise agreed to in writing) comply with inter alia the following general covenants.</p> <p><b>Autorisations:</b> The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time if a failure to do so would have Material Adverse Effect.</p> <p><b>Compliance with laws:</b> The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations (including any environmental laws and regulations) to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.</p> <p><b>Pari passu ranking:</b> The Issuer shall ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank as set out in Clause 2.4 (Status of the Bonds) in the Bond Terms.</p> <p><b>Mergers:</b> The Issuer shall not, and shall ensure that no other Group Company will, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.</p> <p><b>De-mergers:</b> The Issuer shall not, and shall ensure that no other Group Company will, carry out any de-merger or other corporate reorganization involving a splitting of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.</p> <p><b>Continuation of business:</b> The Issuer shall not cease to carry on its business. The Issuer shall ensure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of the Bond Terms.</p> <p><b>Disposal:</b> The Issuer shall not, and shall ensure that no other Group Company will, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:</p> <ol style="list-style-type: none"><li>the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and</li><li>such transaction would not have a Material Adverse Effect.</li></ol>

**Distribution restrictions:**

The Issuer shall not make, declare or undertake any distribution in aggregate during any calendar year exceeding the higher of:

- (a) 50% of the Issuer's consolidated net profit after taxes based on the audited annual accounts for the previous financial year; and
- (b) an aggregate amount which results in a distribution in respect of each of the Issuer's common shares in the financial year specified in Column 1 below of the amount set out in Column 2 below opposite that financial year:

<b>Column1</b>	<b>Column 2</b>
<b>Financial year ending on</b>	<b>Maximum distribution</b>
31 December 2020	USD 0.90
31 December 2021	USD 1.00
31 December 2022	USD 1.00
31 December 2023	USD 1.00
31 December 2024	USD 1.00

provided that:

- (i) no distribution may be made unless, immediately subsequent to the distribution, the ratio of Book Equity to Total Assets will be at least 27.5% ; and
- (ii) if and whenever there shall be a consolidation, reclassification or subdivision in relation to the Issuer's common shares, the amounts set out in Column 2 above shall be adjusted by multiplying them by the following fraction:

**A**

**B**

where:

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

Any un-utilized portion of the permitted distribution may not be carried forward.

**Subsidiaries' distributions:**

The Issuer shall not permit any of its Subsidiaries to create any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders to the extent such contractual obligation (or encumbrance) is reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

**Financial support:**

The Issuer shall not, and shall ensure that no other Group Company will, grant any Financial Support to any third party not being a member of the Group or a JV Company, other than:

- (a) in the ordinary course of business;
- (b) Financial Support (other than loans) in respect of any Financial Indebtedness of any member of the HMLP Group that is secured by Security over assets sold by a Group Company to a member of the HMLP Group, and which Financial Indebtedness was incurred under arrangements in existence at the date of that sale, but not incurred or increased or having its maturity date extended in contemplation of, or since, that sale; and

- (c) a revolving credit facility from the Issuer to HMLP in the maximum principal amount of USD 150,000,000 (or its equivalent amount in other currencies) that ranks senior to the unitholders' rights to receive distributions from HMLP, as long as no Security is created or permitted to subsist over the Issuer's rights or interest under any such revolving credit facility.

**Arm's length transaction:**

The Issuer shall not, and the Issuer shall ensure that no other Group Company will, enter into any transaction with any person outside the Group except on arm's length terms.

**Reporting:** The Issuer shall without being requested to do so, produce financial statements annually and quarterly financial reports quarterly and make them available on its website in the English language (alternatively by arranging for publication at Stamdata) and by sending them to the Bond Trustee (and via the distribution system of the Oslo Stock Exchange from the time of listing of the Bonds) as soon as they become available, and not later than 120 days after the end of the financial and 60 days after the end of the relevant quarter.

**Insurance:**

The Issuer shall, and shall ensure that each other Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its properties and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice.

**Ownership interest in HMLP and the General Partner:**

The Issuer shall at all times retain a direct or indirect ownership interest in HMLP of at least 25% and have Decisive Influence over the General Partner.

**Corporate status:**

The Issuer shall not change its type of organization or jurisdiction of incorporation.

**Financial Covenants**

The Issuer shall comply with the following:

- (a) **Minimum Liquidity:** The Issuer undertakes to maintain Liquidity of no less than the higher of (i) USD 35,000,000, and (ii) an amount equal to 3.5% of the Total Interest Bearing Debt.
- (b) **Minimum Book Equity:** The Issuer undertakes to maintain (on a consolidated basis) a Book Equity of no less than the higher of (i) USD 200,000,000; and (ii) 25% of the Total Assets.

The Issuer undertakes to comply with the above financial covenants at all times, such compliance to be measured with reference to the last day of each financial quarter and certified by the Issuer in connection with the delivery of each Compliance Certificate.

**Definitions:**

*Please see Bond Terms clause 1 Interpretation.*

**Events of Default:**

The Bond Terms includes standard event-of-default provisions, as well as cross-default provisions for the Issuer subject to a carve-out of USD 25 million or the equivalent thereof in other currencies.

For more details, see clause 14 of the Bond Terms.

**Listing:**

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

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

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

Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the Margin shall increase with one percentage point per annum. The occurrence of a Listing Failure Event shall not constitute an Event of Default.

Any Additional Bonds shall be listed on an Exchange no later than the date falling six months after the date such Additional Bonds were issued.

Purpose/Use of proceeds: The Issuer intends to use will use the net proceeds from the Initial Bond Issue as follows:

- Approximately NOK 585 million for partly repayment of HLNG 02 bond, ISIN: NO0010739683 refinance existing debt,
- Approximately NOK 51 million for the general corporate purposes of the group.

The Issuer will use the net proceeds from the issuance of any Additional Bonds for the general corporate purposes of the group.

Estimated total expenses related to the Issue:

External party	Cost
The Norwegian FSA	NOK 67,000
The stock exchange	NOK 40,000
The Bond Trustee, p.a.	NOK 138,000
Legal fee	NOK 450,000
Listing Agent	NOK 90,000
The Lead Managers	NOK 13,650,000
<b>Total</b>	<b>NOK 14,435,000</b>

Estimated net amount of the proceeds is approximately: NOK 636 million

NIBOR: Norwegian Interbank Offered Rate being;

- (a) the interest rate fixed for a period comparable to the relevant Interest Period by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or
- (b) if no screen rate is available for the relevant Interest Period:
  - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
  - (ii) a rate for deposits in the Bond currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
  - (i) any relevant replacement reference rate generally accepted in the market; or
  - (ii) such interest rate that best reflects the interest rate for deposits in the Bond currency offered for the relevant Interest Period.

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

Please find information about NIBOR's past and the future performance and its volatility free of charges (with 24 hours delay) on:  
<https://most.referanserenter.no/nibor-rates.html>

Real time information about NIBOR is available from renowned market data providers due a licence agreement.

Approvals: The Bonds were issued in accordance with the approvals of the Issuer's Board of Directors dated 4 December 2019 and 13 January 2020 and the Bond Issue Committee on 16 and 17 January 2020.

The Norwegian FSA approved the Prospectus by e-mail on 5 May 2020.

The prospectus has also been sent to Oslo Børs ASA for review in relation to a listing application of the bonds.

**Bond Terms/Bond Agreement:** The Bond Terms has been entered into by the Borrower and the Bond Trustee. The Bond Terms regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.

By virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of this Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with, see also Clause 3 in the Bond Terms.

The Bond Terms is attached as Appendix 1 to this Securities Note. The Bond Terms is also available through the Bond Trustee, the Joint Lead Managers or from the Borrower.

**Bondholders' meeting:** The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

At the Bondholders' meeting each Bondholder may cast one vote for each voting bond owned at close of business on the day prior to the date of the Bondholders' meeting in the records registered in the Securities Depository.

In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting. See also clause 15.3 in the Bond Terms.

Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, however, a majority of at least 2/3 of the voting bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of the Bond Terms.

(For more details, see also clause 15 in the Bond Terms)

**Availability of the Documentation:**

[www.hoeghlng.com](http://www.hoeghlng.com)

**Bond Trustee:**

Nordic Trustee AS, P.O. Box 1470 Vika, NO-0116 Oslo, Norway.

The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond Terms and applicable laws and regulations which are relevant to the terms of the Bond Terms, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond Terms. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond Terms.

(For more details, see also clause 16 of the Bond Terms).

**Joint Lead Managers:**

Danske Bank, Norwegian Branch, Bryggetorget 4, NO-0107 Oslo, Norway;  
DNB Markets, a part of DNB Bank ASA Dronning Eufemias gate 30, NO-0191, Oslo, Norway;  
Nordea Bank Abp, filial i Norway, P. O. Box 1166 Sentrum, NO-0107 Oslo, Norway;  
Swedbank Norge, branch of Swedbank AB (publ), Filipstad Brygge 1, 0252 Oslo, Norway and  
ABN AMRO Bank N.V., Olav Vs gate 5, 0161 Oslo, Norway.

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Listing Agent:	DNB Markets, a part of DNB Bank ASA Dronning Eufemias gate 30, NO-0191, Oslo, Norway.
Paying Agent:	Nordea Bank Abp, filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway.  The Paying Agent is in charge of keeping the records in the Securities Depository.
Calculation Agent:	The Bond Trustee.
Securities Depository:	The Securities depository in which the Bonds are registered by the Paying Agent, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.  On Disbursement Date, the Securities Depository is Verdipapirregisteret ("VPS"), Postboks 4, NO-0051 OSLO.
Restrictions:	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 to ensure 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.  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.
Market-making:	No market-making agreement has been entered into in connection with the Bond Issue.
Prospectus:	This Securities Note dated 5 May 2020 included a Summary together with the Registration Document dated 5 May 2020 constitutes the Prospectus.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities.  The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

## 5 Additional Information

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

The Issuer has mandated Danske Bank, Norwegian Branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp filial i Norge, Swedbank Norge, branch of Swedbank AB (publ) and ABN AMRO Bank N.V. as Joint Lead Managers for the issuance of the Bonds. The Joint Lead Managers have acted as adviser to the Issuer in relation to the pricing of the Bonds.

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

### Statement from the Joint Lead Managers:

Danske Bank, Norwegian Branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp filial i Norge, Swedbank Norge, branch of Swedbank AB (publ) and ABN AMRO Bank N.V. have assisted the Borrower in preparing the Prospectus. Danske Bank, Norwegian Branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp filial i Norge, Swedbank Norge, branch of Swedbank AB (publ) and ABN AMRO Bank N.V. have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in the Prospectus or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving the Prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 5 May 2020

Danske Bank, Norwegian Branch    DNB Markets, a part of DNB Bank ASA    Nordea Bank Abp, filial i Norge  
Swedbank Norge, branch of Swedbank AB (publ)    ABN AMRO Bank N.V.

## **Appendix: Bond Agreement**

**BOND TERMS**

**FOR**

**Höegh LNG Holdings Ltd.**

**FRN senior unsecured NOK 1,300,000,000 bonds 2020/2025**

**ISIN NO 0010873755**

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

<b>BOND TERMS between</b>	
ISSUER:	Höegh LNG Holdings Ltd., a company existing under the laws of Bermuda with registration number 39152 and LEI code 213800XJSJUK2MTDZU65.
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	28 January 2020
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:

“**Additional Bonds**” means Bonds issued under a Tap Issue, including any Temporary Bonds.

“**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 (directly or indirectly) over that person.

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

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

“**Bond Terms**” means these terms and conditions, including all Attachments which shall 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 its obligations 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*).

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

“**Bonds**” means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds.

“**Book Equity**” means, on any date, the consolidated book equity of the Issuer calculated in accordance with GAAP, excluding mark-to-market valuation of derivatives.

“**Business Day**” means a day on which the relevant CSD settlement system is open, the relevant Bond currency settlement system is open and which is a banking day in London and New York.

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

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

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), Clause 10.4 or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Change of Control Event**” means an event or circumstance whereby the members of the Høegh Family jointly:

- (a) cease to beneficially own and control (directly or indirectly) at least 20% of the entire issued share capital and voting rights of the Issuer, other than as a result of a dilution following an issuance of new equity; or
- (b) are no longer the largest shareholder of the Issuer.

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

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

“**De-listing Event**” means that the shares in the Issuer cease to be listed on Oslo Børs or any other Exchange.

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

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

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

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

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

**“Exchange”** means:

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

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

**“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 GAAP, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

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

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

**“Financial Support”** means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

**“First Call Date”** means the Interest Payment Date falling four years after the Issue Date.

**“Free Cash”** means, on any date, the Group’s aggregate unrestricted, unpledged or pledged but not blocked, and freely available cash, including cash equivalents as calculated in accordance with GAAP and debt securities with a remaining tenor of maximum 12 months, which are publicly traded on a major stock exchange or investment market (valued as at any applicable date of determination) which has a rating of A or higher by S&P Ratings Service or A2 from Moody’s Investor Service Limited or a comparable rating from an internationally recognized credit rating agency. **“GAAP”** means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

**“General Partner”** means Höegh LNG GP LLC organized under the laws of the Marshall Islands, being the general partner of HMLP.

**“Group”** means the Issuer and its Subsidiaries from time to time (for the avoidance of doubt, excluding the HMLP Group).

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

“**HMLP**” means Høegh LNG Partners LP, a limited partnership organized under the laws of the Marshall Islands.

“**HMLP Group**” means HMLP and all its subsidiaries from time to time.

“**Høegh Family**” means, collectively, Morten W. Høegh and Leif O. Høegh, and each of their direct linear descendants (the “**Individuals**”), the personal estate of any of the Individuals and any companies or trusts of which the Individuals, respectively, are principal beneficiaries.

“**Initial Bond Issue**” means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

“**Initial Nominal Amount**” means the nominal amount of each Bond 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 center of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 30 April 2020 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 January, April, July and October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

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

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

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with GAAP and to include management commentary.

“**ISIN**” means International Securities Identification Number, being the identification number of the Bonds.

“**Issue Date**” means 30 January 2020.

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

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

**“JV Company”** means any current and/or future company or partnership in which the Issuer (directly or indirectly) holds an ownership interest, incorporated or established for the purpose of owning, developing and/or constructing any maritime operating vessel or any other operation which is substantially within the business that the Group is conducting at the date of the Bond Terms, and which is not a Subsidiary of the Issuer or a member of the HMLP Group.

**“Liquidity”** means, on any date, the sum of Free Cash plus the aggregate of freely available undrawn commitments under any long-term credit facilities of the Group with at least six months remaining tenor.

**“Listing Failure Event”** means:

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

**“Manager”** means each of Danske Bank, Norwegian Branch, DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp, filial i Norge, Swedbank Norge, branch of Swedbank AB (publ), and ABN AMRO Bank N.V.

**“Margin”** means 6.00 per cent.

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

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

**“Maturity Date”** means 30 January 2025, adjusted according to the Business Day Convention.

**“Maximum Issue Amount”** shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**“Nominal Amount”** means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 (*Redemption and repurchase of Bonds*)), or any other amount following a split of Bonds pursuant to Clause 16.2, paragraph (j).

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

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

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

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

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

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

**“Put Option Event”** means a Change of Control Event or a De-listing Event.

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

**“Quotation Business Day”** means a day on which Norges Bank is open.

**“Reference Rate”** shall mean NIBOR (Norwegian Interbank Offered Rate) being;

- (a) the interest rate fixed for a period comparable to the relevant Interest Period by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or
- (b) if no screen rate is available for the relevant Interest Period:
  - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
  - (ii) a rate for deposits in the Bond currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
  - (i) any relevant replacement reference rate generally accepted in the market; or
  - (ii) such interest rate that best reflects the interest rate for deposits in the Bond currency offered for the relevant Interest Period.

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

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

**“Relevant 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 Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

**"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.

**"Subsidiary"** means a company over which another company has Decisive Influence, provided, however, that no member of the HMLP Group shall be considered a Subsidiary of the Issuer.

**"Summons"** means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

**"Tap Issue"** shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Tap Issue Addendum"** shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"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*).

**"Temporary Bonds"** shall have the meaning ascribed to such term in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Total Assets"** means, on any date, the consolidated book value of the Issuer's total assets, calculated in accordance with GAAP, excluding positive mark-to-market valuation of derivatives.

**"Total Interest Bearing Debt"** means, on any date, the consolidated book value of the Issuer's total interest-bearing debt, less (to the extent already included) any interest-bearing debt of any Group Company (other than the Issuer), JV Company or a member of the HMLP Group financed without any recourse to any (other) Group Company, calculated in accordance with GAAP.

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

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

## 1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

## 2. THE BONDS

### 2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of NOK 1,300,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of NOK 650,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (“**Temporary Bonds**”) which, upon the approval of the prospectus, will be converted into the ISIN for the Bonds. These Bond Terms govern such Temporary Bonds. The Issuer will inform the Bond Trustee, the Exchange and the Paying Agent once the prospectus is approved.

- (b) The Bonds are denominated in Norwegian Kroner (NOK), being the legal currency of Norway.
- (c) The Initial Nominal Amount of each Bond is NOK 500,000.
- (d) The ISIN of the Bonds is NO 0010873755. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

## **2.2 Tenor of the Bonds**

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

## **2.3 Use of proceeds**

- (a) The Issuer will use the net proceeds from the Initial Bond Issue to partly refinance existing debt and for the general corporate purposes of the Group.
- (b) The Issuer will use the net proceeds from the issuance of any Additional Bonds for the general corporate purposes of the Group.

## **2.4 Status of the Bonds**

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

## **2.5 Transaction Security**

The Bonds are unsecured.

# **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**

- (a) The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within six months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.
- (b) Any Additional Bonds shall be listed on an Exchange no later than the date falling six months after the date such Additional Bonds were issued.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

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

### **5.2 Obligation to ensure correct registration**

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

### **5.3 Country of issuance**

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

to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

## **6. CONDITIONS FOR DISBURSEMENT**

### **6.1 Conditions precedent for disbursement to the Issuer**

- (a) Payment of the net proceeds from the issuance of the Bonds to the Issuer shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) these Bond Terms duly executed by all parties hereto;
  - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
  - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
  - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
  - (v) copies of the Issuer's latest Financial Reports (if any);
  - (vi) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation (EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
  - (vii) a signed copy of the process agent acceptance letter;
  - (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 the CSD (by obtaining an ISIN for the Bonds);
  - (x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
  - (xi) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
  - (xii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

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

## **6.2 Distribution**

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.

## **6.3 Tap Issues**

The Issuer may issue Additional Bonds if:

- (a) the Bond Trustee has executed a Tap Issue Addendum; and
- (b) 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.

## **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) at the date of issuance of any Additional Bonds:

### **7.1 Status**

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

### **7.2 Power and authority**

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

### **7.3 Valid, binding and enforceable obligations**

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

**7.4 Non-conflict with other obligations**

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

**7.5 No Event of Default**

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

**7.6 Authorizations and consents**

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

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

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

**7.7 Litigation**

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

**7.8 Financial Reports**

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

**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 have been set out for such payment in the relevant Finance Document.

## **8.2 Default interest**

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the Margin shall increase with one percentage point per annum. The occurrence of a Listing Failure Event shall not constitute an Event of Default.

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

## **8.4 Taxation**

- (a) The Issuer 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 Issuer 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 five 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**

The Issuer may not 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) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with Clause 9.1 (a) above.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

### **9.2 Payment of interest**

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

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 Redemption of Bonds**

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem all or any part of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
  - (i) the First Call Date to, but not including, the Interest Payment Date falling four years and six months after the Issue Date, at a price equal to 102.00 per cent of the Nominal Amount for each redeemed Bond; and
  - (ii) the Interest Payment Date falling four years and six months after the Issue Date to, but not including, the Maturity Date at a price equal to 101.00 per cent of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

### **10.3 Mandatory repurchase due to a Put Option Event**

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.
- (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 fifth 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.

### **10.4 Clean-up Call**

If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased following completion of a Put Option, the Issuer is entitled to repurchase

all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

#### **10.5 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.

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

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

The Issuer may purchase and hold Bonds and such Bonds may be retained sold or 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*).

#### **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 to ensure 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 and via the distribution system at Oslo Børs as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website and via the distribution system at Oslo Børs as soon as they become available, and not later than 60 days after the end of the relevant interim period.

## **12.2 Requirements as to Financial Reports**

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.15 (*Financial Covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied.

## **12.3 Put Option Event**

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

## **12.4 Information: Miscellaneous**

The Issuer shall:

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

## **13. GENERAL AND FINANCIAL UNDERTAKINGS**

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

**13.1 Authorisations**

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

**13.2 Compliance with laws**

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations (including any environmental laws and regulations) to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.

**13.3 Pari passu ranking**

The Issuer shall ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank as set out in Clause 2.4 (*Status of the Bonds*).

**13.4 Continuation of business**

The Issuer shall not cease to carry on its business. The Issuer shall ensure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of the Bond Terms.

**13.5 Corporate status**

The Issuer shall not change its type of organization or jurisdiction of incorporation.

**13.6 Mergers**

The Issuer shall not, and shall ensure that no other Group Company will, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.

**13.7 De-mergers**

The Issuer shall not, and shall ensure that no other Group Company will, carry out any de-merger or other corporate reorganization involving a splitting of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

**13.8 Financial support**

The Issuer shall not, and shall ensure that no other Group Company will, grant any Financial Support to any third party not being a member of the Group or a JV Company, other than:

- (a) in the ordinary course of business;
- (b) Financial Support (other than loans) in respect of any Financial Indebtedness of any member of the HMLP Group that is secured by Security over assets sold by a Group Company to a member of the HMLP Group, and which Financial Indebtedness was incurred under arrangements in existence at the date of that sale, but not incurred or

increased or having its maturity date extended in contemplation of, or since, that sale; and

- (c) a revolving credit facility from the Issuer to HMLP in the maximum principal amount of USD 150,000,000 (or its equivalent amount in other currencies) that ranks senior to the unitholders' rights to receive distributions from HMLP, as long as no Security is created or permitted to subsist over the Issuer's rights or interest under any such revolving credit facility.

### **13.9 Disposals**

The Issuer shall not, and shall ensure that no other Group Company will, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

- (a) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and
- (b) such transaction would not have a Material Adverse Effect.

### **13.10 Distribution restrictions**

The Issuer shall not make, declare or undertake any distribution in aggregate during any calendar year exceeding the higher of:

- (a) 50% of the Issuer's consolidated net profit after taxes based on the audited annual accounts for the previous financial year; and
- (b) an aggregate amount which results in a distribution in respect of each of the Issuer's common shares in the financial year specified in Column 1 below of the amount set out in Column 2 below opposite that financial year:

<b>Column 1</b> <b>Financial year ending on</b>	<b>Column 2</b> <b>Maximum distribution</b>
31 December 2020	USD 0.90
31 December 2021	USD 1.00
31 December 2022	USD 1.00
31 December 2023	USD 1.00
31 December 2024	USD 1.00

provided that:

- (i) no distribution may be made unless, immediately subsequent to the distribution, the ratio of Book Equity to Total Assets will be at least 27.5% ; and
- (ii) if and whenever there shall be a consolidation, reclassification or subdivision in relation to the Issuer's common shares, the amounts set out in Column 2 above shall be adjusted by multiplying them by the following fraction:

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

where:

- (A) is the aggregate number of the Issuer's common shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- (B) is the aggregate number of the Issuer's common shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Any un-utilized portion of the permitted distribution may not be carried forward.

**13.11 Subsidiaries' distributions**

The Issuer shall not permit any of its Subsidiaries to create any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders to the extent such contractual obligation (or encumbrance) is reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

**13.12 Arm's length transaction**

The Issuer shall not, and the Issuer shall ensure that no other Group Company will, enter into any transaction with any person outside the Group except on arm's length terms.

**13.13 Insurance**

The Issuer shall, and shall ensure that each other Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its properties and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice.

**13.14 Ownership interest in HMLP and the General Partner**

The Issuer shall at all times retain a direct or indirect ownership interest in HMLP of at least 25% and have Decisive Influence over the General Partner.

**13.15 Financial Covenants**

The Issuer shall comply with the following:

- (a) **Minimum Liquidity:** The Issuer undertakes to maintain Liquidity of no less than the higher of (i) USD 35,000,000, and (ii) an amount equal to 3.5% of the Total Interest Bearing Debt.
- (b) **Minimum Book Equity:** The Issuer undertakes to maintain (on a consolidated basis) a Book Equity of no less than the higher of (i) USD 200,000,000; and (ii) 25% of the Total Assets.

The Issuer undertakes to comply with the above financial covenants at all times, such compliance to be measured with reference to the last day of each financial quarter and certified by the Issuer in connection with the delivery of each Compliance Certificate.

## **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*

The Issuer 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 five 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 five Business Days following the original due date.

*(b) Breach of other obligations*

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee

*(c) Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

*(d) Cross default*

If for any Group Company:

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

- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 25,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
  - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or
  - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
  - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
  - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

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

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

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

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

**14.2 Acceleration of the Bonds**

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

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

**14.3 Bondholders' instructions**

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

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

**14.4 Calculation of claim**

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

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and

- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

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

## **15. BONDHOLDERS' DECISIONS**

### **15.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

### **15.2 Procedure for arranging a Bondholders' Meeting**

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

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

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from

participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **15.3 Voting rules**

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

### **15.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (d) 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 (d) 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 Bondholder's 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 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 amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **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 the Issuer, 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 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, 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.

## **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*).

### **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 the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*).
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

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

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing law**

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

### **19.2 Main jurisdiction**

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

### **19.3 Alternative jurisdiction**

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

- (a) to commence proceedings against the Issuer or any of its 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 Høegh LNG AS 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:**

<p><b>The Issuer:</b></p> <p>Höegh LNG Holdings Ltd.</p> <p></p> <p>.....</p> <p>By: HÅVARD FURU</p> <p>Position: ATTORNEY IN FACT</p>	<p><b>As Bond Trustee:</b></p> <p>Nordic Trustee AS</p> <p>.....</p> <p>By:</p> <p>Position:</p>
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**SIGNATURES:**

<p><b>The Issuer:</b> <b>Höegh LNG Holdings Ltd</b></p> <p>.....</p> <p>By: Position:</p>	<p><b>As Bond Trustee:</b> <b>Nordic Trustee AS</b></p> <p></p> <p>By: <b>Lars Erik Lærum</b> Position: <b>Authorised signatory</b></p>
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**ATTACHMENT 1**  
**COMPLIANCE CERTIFICATE**

[date]

**Höegh LNG Holdings Ltd. FRN bonds 2020/2025 ISIN NO 0010873755**

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.

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 and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

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

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

Yours faithfully,

Höegh LNG Holdings Ltd

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*Name of authorised person*

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