|  |
| --- |
| **Term Sheet** |
|  |
| [*LETTERHEAD OF THE ISSUER*] |
| **[Issuer][FRN]/[●.●●] % senior unsecured/secured [currency] [maximum amount] bonds 20[●]/20[●]**  |
| **ISIN [●]** |
| **Issue Date: Expected to be [●]** |
| **Issuer:** | [●], incorporated under the laws of [●] with business registration number and LEI-code [●/●]. |
| **Parent:** | [●], incorporated under the laws of [●] with business registration number [●], being the direct 100% owner of the Issuer. |
| **Group:** | The [Issuer]/[Parent] with all its Subsidiaries from time to time (each a “Group Company”. |
| **[Guarantor:** | [the Parent]/[the Original Guarantor(s)]/[●] and any Group Company which subsequently becomes a Material Group Company.] |
| **Manager:** | [●]. |
| **Bond Trustee [and Security Agent]:** | [●]. |
| **Currency:** | [●]. |
| **[Initial][[1]](#footnote-1) Issue Amount:** | [Up to] [currency] [●].]  |
| **[Maximum Issue Amount:[[2]](#footnote-2)** | [Currency] [●].] |
| **[Tap Issues:** | The Bonds may be issued on different issue dates up to the Maximum Issue Amount.] |
| **Issue Date:** | Expected to be [●]. [Confirmation of Issue Date to be given to subscribers minimum [two Business Days] prior to the Issue Date. |
| **Maturity Date:** | [●]/[[●] years after the Issue Date.] |
| **Amortisation:** | The Bonds shall be repaid [in one payment at the Maturity Date.]/[in the following instalments] at 100% of the Nominal Amount (plus accrued interest on redeemed amount):] [amount][date]]. |
| **Interest Rate:** | [FIX; [●] percentage points per annum]/[FRN; the percentage rate per annum which is the aggregate of the Reference Rate plus the Margin]. |
| **[FRN; Margin:** | [●] per cent.] |
| **[FRN; Reference Rate:** | [3]/[6] months [EURIBOR/LIBOR/NIBOR.]] |
| **Interest Payment Date:** | The last day of each Interest Period, the first Interest Payment Date being [date] and the last Interest Payment Date being the Maturity Date. |
| **Interest Periods:** | Means, subject to adjustment in accordance with the Business Day Convention, the period between [date], [date], [date] and [date] each year, provided however that an Interest Period shall not extend beyond the Maturity Date. |
| **Business Day:** | means a day on which both the relevant CSD settlement system is open, [EURO; and which is a TARGET-Day]/[NOK/USD; [and] the relevant currency of the Bonds settlement system is open [USD FRN; and on which Bank of England is open] |
| **Business Day Convention:** | means that if the last day of any Interest Period originally falls on a day that is not a Business Day,[Alt 1 FRN; 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)]/[Alt 2 FIX; no adjustment will be made to the Interest Period]. |
| **Default interest:** | Interest Rate plus 3 percentage points p.a. |
| **Price:** | 100% of the Initial Nominal Amount. |
| **Initial Nominal Amount:** | Each Bond will have an Initial Nominal Amount of [currency] [●]. |
| **Minimum Investment:** | The minimum permissible investment in the Bonds is [currency] [●], and integral multiples thereof. |
| **Use of proceeds:** | [The Issuer will use the net proceeds from the Initial Bond Issue for [the general corporate purposes of [the Issuer]/[the Group]].][The Issuer will use the net proceeds from the issuance of any Additional Bonds for [●].][[3]](#footnote-3) |
| **Status of the Bonds:** | The Bonds will constitute senior debt obligations of the Issuer. [The Bonds shall be secured on a [first priority basis] by the Transaction Security]. The Bonds will rank at least *pari passu* with each other and 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). |
| **Listing:** | [Alt 1; The Issuer is under no obligation to ensure that the Bonds are admitted to listing on any Exchange, but has the right to list the Bonds on any exchange or other relevant marketplace if it so desires.][Alt 2; ; The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.] |
| **Exchange:** | * + - 1. [The Nordic ABM], a self-regulated marketplace organised and operated by Oslo Børs];
			2. Oslo Børs]/[●]]; or
			3. 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).
 |
| **Transaction Security:** | [Alt 1; The Bonds are unsecured.] [Alt 2; As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent [with first priority]:* + - * 1. [●]; and
				2. [●].
 |
| **Finance Documents** | The Bond Terms, the Bond Trustee Agreement, [the Intercreditor Agreement], [any Transaction Security Document], [any Security Agent Agreement], [●] and any other document designated by the Issuer and the Bond Trustee as a Finance Document. |
| **[Escrow Account:** | The Issuer shall prior to the issuance of the Bonds establish an escrow account and the proceeds (net of costs and expenses) shall be transferred to the Escrow Account in connection with the issuance of the Bonds. The Escrow Account shall be pledged and blocked. The amount on the Escrow Account shall only be used according to the Purpose of the Bonds.] |
| **[Mandatory early redemption due to a Mandatory Redemption Event:** | Upon a Mandatory Redemption Event, the Issuer shall, within [●] [Business Days] after the Mandatory Redemption Event, redeem [all]/ [●] of the Outstanding Bonds at a price of [●] per cent. of the Nominal Amount plus accrued interest[, by inter alia applying the funds deposited on the Escrow Account for such redemption][[4]](#footnote-4). |
| **Mandatory Redemption Event:**  | Means: * + - * 1. in the event that the conditions precedent for disbursement from the Escrow Account have not been fulfilled within [●], the Issuer; or
				2. [●] .
 |
| **Conditions Precedent:** | Disbursement of proceeds from the Bonds to the Issuer [and release of funds from the Escrow Account] shall be conditional upon the events set out in Schedule 1 to this Term Sheet being fulfilled. |
| **Representations and Warranties:** | Standard representations and warranties pursuant to the Bond Terms.  |
| **Voluntary early redemption -** **Call Option:** | The Issuer may redeem [all but not only some]/[part] of the Outstanding Bonds on anyBusiness Day from and including:* + - * 1. the Issue Date to, but not including, the [First Call Date]/[Maturity Date] at a price equal to the Make Whole Amount;
				2. [the First Call Date to, but not including, the Interest Payment Date in [●] at a price equal to [●] per cent. of the Nominal Amount for each redeemed Bond;
				3. Interest Payment Date in [●] to, but not including, the Interest Payment Date in [●] at a price equal to [●] per cent. of the Nominal Amount for each redeemed Bond; and
				4. the Interest Payment Date in [●] to, but not including, the Maturity Date at a price equal to [●] per cent. of the Nominal Amount for each redeemed Bond.]
 |
| **[First Call Date:** | means the Interest Payment Date in [●]]. |
| **Make Whole Amount:** | Means an amount equal to the sum of:* + - 1. the present value on the Call Option Repayment Date of [[●] per cent. of ]the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the [First Call Date]/[Maturity Date]; and
			2. the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the [First Call Date]/[Maturity Date],

[Alt FRN; where the present value shall be calculated by using a discount rate [Alt 1: [●] per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the [First Call Date]/[Maturity Date] shall be the applicable Interest Rate on the Call Option Repayment Date] / [Alt 2: of 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macauley duration of the Bonds from the Call Option Repayment Date until the [First Call Date]/[Maturity Date] using linear interpolation), and where the interest rate applied for the remaining interest payments shall equal the Mid-Swap Rate plus the Margin (however so that the interest rate can never fall below the Margin).] [Alt FIX; where the present value shall be calculated by using a discount rate of [Alt 1: [●] per cent. per annum]/[Alt 2: 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macauley duration of the Bonds from the Call Option Repayment Date until the [First Call Date]/[Maturity Date] using linear interpolation).] |
| **Put Option:** | Upon the occurrence of a [Change of Control Event], each Bondholder will have a right (Put Option) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to [●]% of the Nominal Amount during a period of 15 Business Days following the notice of a [Change of Control Event]. The Put Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period. The settlement of the Put Option will be based on each Bondholders holding of Bonds at that day.If Bonds representing more than [90] per cent of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Day after the Put Option Repayment Date.  |
| **Change of Control Event:** | The occurrence of an event or series of events whereby a person or group of persons acting in concert gaining Decisive Influence over the Issuer[/Parent]. |
| **Listing Failure Event:****(For use if Listing – Alternative 2 of the Bond Terms applies)**  | Means that:* + - * 1. that the Bonds have not been admitted to listing on an Exchange within [12] months following the Issue Date, or
				2. in the case of a successful admission to listing, that a period of [6] months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

Upon a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under the Bonds Terms will accrue at the Interest Rate plus 1 percentage point p.a. |
| **Information Undertakings:** | Standard information undertakings pursuant to the Bond Terms. |
| **General Undertakings:** | As set out in Schedule 2 to this Term Sheet. |
| **Financial Covenants:** | [**●]**. |
| **Event of Defaults:** | Standard Event of Default provisions applicable to the [Issuer]/[Obligors]/[Material Group Companies] pursuant to the Bond Terms, with a cross default threshold of [●] (or equivalent thereof in any other currency) and an [equal] insolvency or insolvency proceedings threshold amount [of [●] (or equivalent thereof in any other currency)][[5]](#footnote-5). |
| **Material Group Companies:** | * + - 1. The Issuer shall nominate as Material Group Companies such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies in aggregate account for at least [●]% of the Group’s EBITDA [and [●]].]
			2. The Issuer shall ensure that a Group Company whose assets or EBITDA constitutes more than [●][% of the Group's assets or EBITDA on a consolidated basis shall be nominated as a Material Group Company [and [●].]

Compliance with the conditions set out above shall be measured [●].] |
| **Tax gross up:** | If the [Issuer/Obligors] is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.* + - 1. 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.
 |
| **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. |
| **Bond Terms:** | The standard Nordic Bond Terms for corporate high yield bonds related to each Relevant Jurisdiction will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Bond Terms, the provisions of the Bond Terms shall prevail.By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.The Bond Terms shall include provisions on the Bond Trustee’s right to represent the Bondholders, including a “no action” clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders’ Meetings/Written Resolutions and applicable quorum and majority requirements for Bondholders’ consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein. |
| **Defined terms:**  | Capitalised terms used but not defined herein (including as set out in Schedule 3 hereto) shall have the meaning ascribed to such terms in the standard Nordic Bond Terms for high yield bonds. |
| **Paying Agent:** | [●] |
| **Securities Depository:** | The Bonds will be registered in VPS ASA (the “**CSD**”). |
| **Approvals:** | [The Bonds will be issued in accordance with the Issuer’s board approval dated [●].]/[The issuance of the Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.] |
| **Market Making:** | No market-maker agreement has been entered into for the issuance of the Bonds.  |
| **Repurchase of Bonds:** | The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion. |
| **Terms of subscription:** | Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholder, who will execute and deliver relevant application forms prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter’s execution and delivery is on behalf of all of the subscribers, such that they thereby will become bound by the Bond Terms. The Bond Terms specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer. |
| **Subscription Restrictions:** | The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers (“**QIBs**”) as defined in Rule 144A under the U.S. Securities Act.The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Form and the Private Placement Memorandum. Failure to comply with these restrictions may constitute a violation of applicable securities legislation. |
| **Transfer Restrictions:** | The Bonds are freely transferable and may be pledged, subject to the following:Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder. |
| **Governing Law:** | Norwegian law. Process Agent to be appointed if the Issuer is from a non-Lugano Convention jurisdiction and/or only to the extent required by the Bond Trustee (in its discretion).  |

|  |
| --- |
| [*PLACE*], [*DATE*] |
| **[**●] | **[**●] |
| As Issuer | As Manager |

**SCHEDULE 1**

**CONDITIONS PRECEDENT**

Conditions precedent for disbursement to the Issuer

**[**Alt 1 Unsecured; **Conditions precedent for disbursement to the Issuer**

* + - 1. 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:
				1. these Bond Terms duly executed by all parties hereto;
				2. certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
				3. a certified 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;
				4. certified 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;
				5. copies of the Issuer’s latest Financial Reports (if any);
				6. confirmation that the applicable prospectus requirements (ref the EU prospectus regulation (2017/1129)) concerning the issuance of the Bonds have been fulfilled;
				7. [copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds];
				8. confirmation that the Bonds are registered in the CSD;
				9. [confirmation of acceptance from any process agent;]
				10. 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;
				11. the Bond Trustee Fee Agreement duly executed by the parties thereto; and
				12. 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).

**[**Alt 2 Secured; **Conditions precedent for disbursement to the Issuer**

* + - 1. Payment of the net proceeds from the issuance of the Bonds to the Escrow Account 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:
				1. these Bond Terms duly executed by all parties hereto;
				2. certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
				3. a certified 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;
				4. certified 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;
				5. the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
				6. copies of the Issuer’s latest Financial Reports (if any);
				7. confirmation that the applicable prospectus requirements (ref the EU prospectus directive (2003/71 EC)) concerning the issuance of the Bonds have been fulfilled;
				8. [copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds];
				9. confirmation that the Bonds are registered in the CSD;
				10. [confirmation of acceptance from any process agent;]
				11. 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;
				12. the Bond Trustee Fee Agreement duly executed by the parties thereto; and
				13. 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).
			2. The net proceeds from the Bond Issue (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
				1. a duly executed release notice from the Issuer [as set out in schedule to the Bond Terms];
				2. unless delivered under this Clause (C*onditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent:

certified copies of all necessary corporate resolutions of each Obligor required to provide [the Transaction Security] and execute the Finance Documents to which it is a party;

 a certified copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor 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 relevant Obligor;

certified copies of each Obligor's articles of association and of a full extract from the relevant company register in respect of each Obligor evidencing that the Obligors are validly existing

* + - * 1. the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security [(and any insurance covering the Transaction Security)]; and
				2. legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under this Clause 6.1 (C*onditions precedent for disbursement to the Issuer*) paragraph (a) as pre-settlement conditions precedent).]

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

**SCHEDULE 2**

**GENERAL UNDERTAKINGS**

GENERAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the following undertakings:

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 at the date of these Bond Terms.

Compliance with laws

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

Continuation of business

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

Corporate status

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

Mergers and de-mergers

* + - 1. [Except as permitted under paragraph (b) below,] [t]he Issuer shall not, and shall procure that no other [Material] Group Company will, carry out:
				1. any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer [or any other [Material] Group Company] with any other person other than [with a Group Company]/[the Issuer with its wholly-owned Subsidiary]; [or]
				2. any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer [and any [Material] Group Company];

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

* + - 1. Paragraph (a) above does not apply to any Permitted Disposal.

Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, other than any [Permitted Financial Indebtedness].

Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future), other than any [Permitted Security].

Financial support

The Issuer shall not, and shall procure that no other Group Company will, provide any Financial Support, other than any [Permitted Financial Support]/[Permitted Loan] [Permitted Guarantee].

Disposals

* + - 1. [Alt 1; The Issuer shall not, and shall procure that no other Material Group Company will, sell, transfer or otherwise dispose of all or substantially all of its assets (including shares or other securities in any person) or operations (other than to [a Group Company]/[the Issuer or any of its wholly-owned Subsidiaries]), unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect[ or constitutes a Permitted Disposal].

[OR]

* + - 1. [Alt 2; The Issuer shall not, and shall procure that no other Material Group Company will, sell, transfer or otherwise dispose of any shares in any Material Group Company [other than to [another Group Company]/[the Issuer or any of its wholly-owned Subsidiaries]), unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect. Any proceeds thereof shall be used for prepayment of the Bonds as follows:
				1. [●]; and
				2. [●].

[AND/OR]

* + - 1. [The Issuer shall not, and shall procure that no other [Material Group Company]/[Obligor] will, sell, transfer or otherwise dispose of any asset which is subject to the Transaction Security [provided however that a sale, transfer or other disposal shall be allowed if it constitutes a Permitted Disposal].]
			2. [The Bond Trustee shall be authorised to release existing Transaction Security of any resigning Obligor in connection with a Permitted Disposal, and (to the extent applicable) re-establish similar Transaction Security pursuant to these Bond Terms subject to such procedures and closing mechanisms as the Bond Trustee shall determine in its discretion.]

Related party transactions

Without limiting Clause [●] (*Compliance with laws*), the Issuer shall, and shall procure that each other Obligor will, conduct all business transactions with any Affiliate which is not an Obligor at market terms and otherwise on an arm’s length basis.

[Designation of Material Group Companies[[6]](#footnote-6)

* + - 1. The Issuer shall nominate as Material Group Companies such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies in aggregate account for at least [●]% of the Group’s EBITDA [and [●]].]
			2. The Issuer shall ensure that a Group Company whose assets or EBITDA constitutes more than [●]% of the Group's assets or EBITDA on a consolidated basis shall be nominated as a Material Group Company [and [●].]
			3. Compliance with the conditions set out above shall be measured [●].]

[Issuer specific covenants - to be included to the extent applicable]

[●].

SCHEDULE 3
DEFINITIONS

["**Acceptable Bank**" means [●].]

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

* + - 1. the ability of the Issuer [and any Guarantor’s/Material Group Company] to perform and comply with its obligations under any of the Finance Documents; or
			2. the validity or enforceability of any of the Finance Documents.]

["**Permitted Disposal**" means any disposal:

* + - 1. of assets by a Group Company (the “**Disposing Company**”) to another Group Company (the “**Acquiring Company**”), but if:
				1. the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
				2. the Disposing Company has granted Transaction Security over the asset, the Acquiring Company must re-establish equivalent Transaction Security over that asset; and
				3. if the Disposing Company is a Guarantor, the Acquiring Company must become a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company;

provided however that disposals of assets from an Obligor to another Group Company which is not an Obligor, shall not exceed an amount (net of the value of any assets transferred from a Group Company which is not an Obligor to an Obligor) of [●] (or its equivalent in other currencies) in any financial year;

* + - 1. of assets (other than shares, businesses or intellectual property) in exchange for other assets reasonably comparable or superior as to type, value or quality and provided that the asset received is subject to the same level of Security as the assets they replace (ignoring, for this purpose, the restarting of any hardening periods);
			2. of assets (other than shares, businesses or intellectual property) which are obsolete or which are no longer required for the relevant person’s business or operations, for a consideration in cash;
			3. arising as a result of any Permitted Security or Permitted Guarantee;
			4. [●]; and
			5. of assets for a consideration which (when aggregated with consideration for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed an aggregate amount of [●] (or its equivalent in other currencies) in any financial year.]

["**Permitted Financial Indebtedness**" means:

* + - 1. any Financial Indebtedness incurred pursuant to the Finance Documents;
			2. [Financial Indebtedness incurred pursuant to any Shareholder Loan Agreement;]
			3. [any Financial Indebtedness incurred under the Existing Facilities;]
			4. Financial Indebtedness related to hedging of interest rates or currency fluctuations in the ordinary course of business and on a non-speculative basis;
			5. Financial Indebtedness arising out of any Permitted Loan, Permitted Guarantee or Permitted Security;
			6. [Financial Indebtedness incurred under any pension or tax liabilities in the ordinary course of business];
			7. [any Financial Indebtedness as a result of any Group Company acquiring another entity after the Issue Date and such Financial Indebtedness is incurred under arrangements in existence at the date of acquisition, [provided that the Incurrence Test is met, tested pro forma including the acquired entity in question]/[but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of [3] months following the date of acquisition];
			8. [any other Financial Indebtedness incurred by the Issuer, provided that the Incurrence Test is met (tested pro forma immediately after the incurrence of such indebtedness) and provided such Financial Indebtedness of the Issuer ranks pari passu with or is subordinated to the obligations of the Issuer under the [Finance Documents];]
			9. [●]; and
			10. any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of [●] (or the equivalent in other currencies) at any time.

["**Permitted Guarantees**" means:

* + - 1. any guarantee obligation arising under or out of the Finance Documents;
			2. the endorsement of negotiable instruments in the ordinary course of trade;
			3. [any guarantee securing performance under any contract by, or which is in respect of an underlying obligation of, a Group Company, which, in each case, is entered into in the ordinary course of business [provided however that guarantees granted by an Obligor securing the obligations of a Group Company which is not an Obligor shall not exceed [●] (or its equivalent in other currencies) at any time];]
			4. any guarantee given in respect of the cash pooling, netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security;
			5. [guarantees granted in connection with a Permitted Disposal provided that the maximum aggregate liability for the Group Companies under any such guarantees do [not exceed [the value of the assets disposed of];]
			6. [guarantees given by a Group Company to a landlord in its capacity as such;]
			7. [any guarantee constituting Permitted Financial Indebtedness or a guarantee granted in order to secure Permitted Financial Indebtedness of any Group Company;]
			8. [customary indemnities given in mandate, engagement and commitment letters;]
			9. [●]; and
			10. any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed [●] (or its equivalent in other currencies) in aggregate of the Group at any time.

["**Permitted Loan**" means:

* + - 1. [any Financial Indebtedness or loan made by an [Obligor [(other than the Parent)]] to another Obligor or made by a Group Company which is not an Obligor to another Group Company;] OR [any Financial Indebtedness or loan made by and between [Group Companies] (including cash pooling arrangements [with an Acceptable Bank] to the extent allowed under applicable law)];
			2. deposits of cash or cash equivalent investments with financial institutions for cash management purposes or in the ordinary course of business;
			3. any Financial Indebtedness or loan made or credit extended by any Group Company to its customers in the ordinary course of business;
			4. any Financial Indebtedness or Financial Support arising out of any Permitted Guarantee or Permitted Security;
			5. [any Financial Indebtedness or loan in existence at the date of these Bond Terms provided that the aggregate principal amount of which does not exceed [●] (or its equivalent in other currencies) at any time;]
			6. [●]; and
			7. any Financial Indebtedness or loan not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed [●] (or its equivalent in other currencies) at any time.]

["**Permitted Security**" means:

* + - 1. any Transaction Security, including cash collateral to secure obligations under the Finance Documents;
			2. any Security arising by operation of law and in the ordinary course of trading, provided that if such Security has arisen as a result of any default or omission by any member of the Group it shall not subsist for a period of more than 30 calendar days;
			3. any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;
			4. any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;
			5. any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business;
			6. any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;
			7. [any Security over cash paid into an escrow or similar account of a Group Company in connection with a Permitted Disposal;]
			8. [payments into court or any Security arising under any court order or injunction or as security for costs arising in connection with any litigation or court proceedings being contested by any Group Company in good faith (which do not otherwise constitute or give rise to an Event of Default);]
			9. any Security securing Financial Indebtedness which constitutes Permitted Financial Indebtedness or Permitted Guarantees; and
			10. [●].]
1. “Initial” only used if tap issues are allowed. [↑](#footnote-ref-1)
2. Only applicable if Tap Issues are allowed, otherwise delete. [↑](#footnote-ref-2)
3. Only to be used if Tap Issues are allowed. [↑](#footnote-ref-3)
4. Include if Longstop Date is included as Mandatory Redemption Event [↑](#footnote-ref-4)
5. If different amount than applicable to cross default. [↑](#footnote-ref-5)
6. Deal Specific. [↑](#footnote-ref-6)