



Boa OCV AS

FRN Boa OCV AS Senior Secured Bond Issue 2014/2019

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, listing document. The documents are available from the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

Relevant Places:

<http://www.boa.no>

Issuer/Borrower:

Boa OCV AS

Borrowing Limit – Tap Issue:

N/A

First Tranche / Loan Amount : ²⁾

NOK 1,200,000,000

Disbursement Date: ³⁾

7 October 2014

Maturity Date: ⁴⁾

7 October 2019

See Maturity and instalments, Total Loss Redemption and Mandatory Redemption under Special (distinct) conditions below.

NIBOR: ⁵⁾

3 months NIBOR

If 3 months NIBOR is below 2.00 %, then 2.00 % shall apply as NIBOR.

Margin:

+ 4.75 % p.a.

Coupon Rate: ⁶⁾

NIBOR + Margin

Day Count Fraction– Coupon:

Act/360

Date of interest adjustment: ^{7) 9)}

Interest Payment Date

Business Day Convention: ⁸⁾

Modified Following

Interest Payment Date: ⁹⁾

7 January, 7 April, 7 July and 7 October each year

Interest accrual date (from and including):

Disbursement date

Final coupon date (to):

Maturity Date

days first term:

92 days

Status of the Loan ¹⁰⁾

The Bonds shall constitute senior debt obligations of the Issuer.

See Supplementary information about status of the loan below.

Issue Price: ¹¹⁾

100.00 (par)

Denomination:

NOK 1.00. Minimum subscription and allotment amount shall be NOK 1,000,000 and integral multiples of NOK 500,000 thereof.

Bondholder's put option: ¹²⁾	Redemption Date(s):	N/A	Price:	
Issuer's call option: ¹³⁾	Redemption Date(s):	From Issue Date to but excluding the Interest Payment Date in October 2017	Price:	See "Special (distinct) conditions" Call Option
		From and including the Interest Payment Date in October 2017 to but excluding the Interest Payment Date in October 2018		102.75 % of par plus accrued interest on redeemed amount
		From and including the Interest Payment Date in October 2018 to but excluding the Interest Payment Date in April 2019		101.50 % of par plus accrued interest on redeemed amount
		From and including the Interest Payment Date in April 2019 to but excluding the Maturity Date		100.50 % of par plus accrued interest on redeemed amount

See "Special (distinct) conditions" Call Option

Issuer's org. number: 984 158 939

Number / Codes: **Sector Code :** 2100 **Geographic code:** 1601 **Industry (trade) Code:** 50204

Usage of funds: The net proceeds of the Bonds shall be applied towards (a) refinancing of the Existing Bonds and (b) the balance shall be distributed to the Parent in accordance with paragraph (i) of the Permitted Initial Dividend Payment.

See Loan Agreement clause 1 for definitions.

Approvals / Permissions:

- The Bond Issue has been issued in accordance with the Issuer's Board approval dated 25 September 2014.
- Oslo Børs will inspect listing documents prior to listing.

Trustee / Bondholders' Representative: Norsk Tillitsmann ASA, Postboks 1470 Vika, 0116 Oslo, Norway.

Arranger(s): DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, N-0191 Oslo, Norway; Pareto Securities AS, Dronning Mauds gt. 3, pb 1411 Vika, 0115 Oslo, Norway

Paying Agent: DNB Bank ASA, Registrars Department

Securities Depository: The Norwegian Central Securities Depository (VPS). Principal and interest accrued will be credited the Bondholders through VPS.

Market making: No market-maker agreement has been made for this Issue.

Special (distinct) conditions:

Call Option

The Issuer may redeem the Bond Issue in whole as follows (Call Option):

- (i) with settlement date on Issue Date to, but not included, the Interest Payment Date in October 2017 at a price equivalent to the sum of:
 - (a) the present value on the relevant record date of 102.75% of par value as if such payment should have taken place on the Interest Payment Date in October 2017; and
 - (b) the present value on the relevant record date of the remaining coupon payments (less any accrued but unpaid interest) through and including the Interest Payment Date in October 2017,

both calculated by using a discount rate of 50 basis points over the comparable Norwegian Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the Interest Payment Date in October 2017), plus accrued interest on redeemed amount, and where "relevant record date" shall mean a date agreed upon between the Bond Trustee, the Paying Agent, the Securities Depository and the Issuer in connection with such repayment;

The applicable call price above shall be determined on the basis of the settlement date of the Call Option.

Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least thirty Business Days prior to the settlement date of the Call Option.

On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

Bonds redeemed by the Issuer in accordance with the Bond Agreement clause 10.2 shall be discharged against the Outstanding Bonds.

See Loan Agreement clause 1 for definitions.

Maturity and instalments

The Bonds shall be repaid at par value by the Issuer by twenty (20) consecutive quarterly instalments of NOK 25,000,000 starting on the Interest Payment Date in January 2015 as follow:

	Payment Date	Amount (NOK)
1	Interest Payment Date in January 2015	25,000,000
2	Interest Payment Date in April 2015	25,000,000
3	Interest Payment Date in July 2015	25,000,000
4	Interest Payment Date in October 2015	25,000,000
5	Interest Payment Date in January 2016	25,000,000
6	Interest Payment Date in April 2016	25,000,000
7	Interest Payment Date in July 2016	25,000,000
8	Interest Payment Date in October 2016	25,000,000
9	Interest Payment Date in January 2017	25,000,000
10	Interest Payment Date in April 2017	25,000,000
11	Interest Payment Date in July 2017	25,000,000
12	Interest Payment Date in October 2017	25,000,000
13	Interest Payment Date in January 2018	25,000,000
14	Interest Payment Date in April 2018	25,000,000
15	Interest Payment Date in July 2018	25,000,000
16	Interest Payment Date in October 2018	25,000,000
17	Interest Payment Date in January 2019	25,000,000
18	Interest Payment Date in April 2019	25,000,000
19	Interest Payment Date in July 2019	25,000,000
20	Maturity Date	725,000,000
	Sum	1,200,000,000

On the Maturity Date all the Outstanding Bonds shall be repaid at par value.

Payment of instalments must be carried out pro rata in accordance with the procedures of the Securities Depository.

See Loan Agreement clause 1 for definitions.

Covenants

See Loan Agreement clause 13.1 General, clause 13.2 Information covenants, clause 13.3 General covenants, clause 13.4 Special covenants, clause 13.5 Financial covenants and clause 13.6 Vessel covenants.

Supplementary information about the status of the loan: ¹⁰⁾

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.

The Security Interests, on the date of this document meaning the Pre-Disbursement Security, shall secure with first priority, the Issuer's obligations under the Finance Documents, including but not limited to any amount outstanding under the Bond Agreement to the Bond Trustee and the Bondholders, including fees, interest and expenses.

The Pre-Disbursement Security means:

- (i) the Share Pledge
- (ii) the Assignment of Subordinated Loans
- (iii) the Mortgages
- (iv) the Factoring Agreement
- (v) the Account Pledge
- (vi) the Assignment Agreement
- (vii) the Assignment of Charter
- (viii) the Assignment of Management Agreement

Share Pledge means the first priority pledge by the Parent in favour of the Bond Trustee (on behalf of the Bondholders) over all (100 %) of the shares in the Issuer.

Assignment of Subordinated Loans means the first priority assignment by the Parent in favour of the Bond Trustee (on behalf of the Bondholders) of its monetary claims under all Subordinated Loans (present and future).

Mortgages means the first priority cross-collateralised ship mortgages (and deeds of covenants collateral thereto) against the Vessels (and all equipment being legally part of that Vessel under applicable law) from the Issuer in favour of the Bond Trustee (on behalf of the Bondholders).

Factoring Agreement means the first priority assignment of trade receivables ("factoringpart") of the Issuer, registered with the Norwegian Registry of Movable Property.

Account Pledge means the first priority pledges by the Issuer in favour of the Bond Trustee (on behalf of the Bondholders) over the Earnings Account(s) and the Debt Service Account.

Assignment Agreement means the first priority assignment by the Issuer in favour of the Bond Trustee (on behalf of the Bondholders) of:

- (i) all its Earnings;
- (ii) all its monetary claims under or in relation to any Insurances;
- (iii) all its monetary claims under or in relation to any Internal Loans.

Assignment of Charter means the first priority assignment by the Issuer in favour of the Bond Trustee (on behalf of the Bondholders) of all its rights to and title and interest under, whether present or future, any Charter, with a firm contract period of more than six (6) months, provided that such assignments is permitted pursuant to the terms of the Charter(s) (it being understood that the Issuer shall use its reasonable endeavours to agree Charter(s) that allows such assignment) and applicable law. The Issuer shall give notice and use its best endeavours to obtain consent and acknowledgement of such assignment from any Charterer.

Assignment of Management Agreement means the first priority assignment by the Issuer in favour of the Bond Trustee (on behalf of the Bondholders) of all its rights to and title and interest under, whether present or future, any Management Agreement, provided that such assignment is permitted pursuant to the terms of the Management Agreement(s) (it being understood that the Issuer shall use its reasonable endeavours to agree Management Agreement(s) that allows such assignment) and applicable law. The assignment shall allow (to the extent contractually and legally permissible) direct cure and step-in rights and termination rights in case of default.

See Loan Agreement clause 1 for further definitions.

Standard Terms: *If any discrepancy should occur between this Loan Description and the Loan Agreement, then the Loan Agreement will apply.*

Loan Agreement: ¹⁾ The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement.

When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. If subscription is made prior to finalisation of the Loan Agreement, the subscriber is deemed to have granted authority to the Trustee to finalise the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.

Open / Close: ³⁾⁴⁾ Tap Issues will be opened on Disbursement Date and closed no later than five banking days before Maturity Date.

Disbursement Date: ³⁾ Payment of the First Tranche / Loan Amount takes place on the Disbursement Date. In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.

Expansions – Tap Issues: ²⁾ For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount, before the initial Disbursement Date. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase of the Borrowing Limit.

Issue price – Tap Issues: ¹¹⁾ Any taps under the Tap Issue will be made at market prices.

Interest Determination Date: ⁷⁾ 2 Business Days prior to Date of Interest Payment Date

Interest Determination: ⁶⁾⁷⁾ The regulation of the Interest Rate is effective from each Interest Payment Date. The new interest rate is determined on Interest Determination Date based on NIBOR with additional margin.

Should NIBOR not be available, the interest rate is set based on NIBOR Reference Banks plus Margin. The new interest rate and the next interest term/period will be notified the Bondholders in writing through the Securities Depository. The Trustee and Nordic ABM shall also be notified immediately.

If any discrepancy should occur between the Issuer and the Trustee regarding change of page, or if the interest rate is set in accordance with NIBOR-reference banks, the Issuer or the Bondholders who represents minimum 1/10 of Outstanding Loan may appeal against the Interest Determination. Such an appeal must be presented in writing to the Trustee no later than 20 Business days after the bondholders being informed of the interest rate. The appeal will be dealt with by a committee comprising three members, of which one representative is nominated by the Issuer, one representative is nominated by the Trustee and a chairman agreed by the representatives of the two parties. If the parties cannot agree upon a chairman, this person will be nominated by Lord Chief Justice of the City of Oslo Magistrates Court. The decision made by the committee is final.

The notification of the complaint together with the final determination of the interest rate shall be forwarded to the Bondholders through the Securities Depository. If a complaint is made, the current notification shall also be forwarded to Nordic ABM.

NIBOR – definition: ⁵⁾ The interest rate, rounded to the nearest hundredth percentage points, for an equivalent time period as mentioned under NIBOR that is quoted on the Reuters page NIBR at 12 p.m. in Oslo on the Interest Determination Date.

Should the content of the Reuters page NIBR be changed such that the quoted interest rate is not representing, according to the Trustee and the Issuer, the same interest rate as at the time of disbursement or if the page in question is removed from the Reuters system, another page on Reuters shall be used. A page from another electronic news agency that gives the same interest rate as Reuters' page NIBR did at disbursement date can also be used if the Trustee and the Issuer agree upon this.

NIBOR – reference banks:	The interest rate fixed on basis of the interest on deposits in the inter-bank market in Oslo quoted by the 4 largest authorised exchange banks in the Norwegian market at approximately 12 p.m. in Oslo on the Interest Determination Date for a period as mentioned in NIBOR that starts on the Interest Determination Date and is valid for a comparable amount. The Trustee shall ask the head office of each bank to quote such an interest rate. If two or more quotes are given, the interest rate shall be fixed to the arithmetic mean of the quotes. If less than two quotes are given, the interest rate shall be set to the arithmetic mean of the interest rates quoted by banks selected by the Trustee approximately 12 p.m. in Oslo on the Interest Determination Date for loans in NOK to leading banks in Europe for a time period as mentioned in NIBOR which starts on the date of which the interest rate is set valid for a comparable amount. An interest rate determined by calculation of the arithmetic mean is rounded to the nearest hundredth percentage points.
Yield:	Dependent on the market price. Yield for the first Interest Period will be notified 2 Banking Days prior to Disbursement Date.
Interest Period: 9)7)	The interest is paid in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date.
Accrued interest:	Accrued Interest for trades in the secondary bond market are calculated on the basis of current recommendations of Norsk Finansanalytikeres Forening.
Standard Business Day Convention: 8)	Modified Following: If the Interest Payment Date is not a banking day, the Interest Payment Date shall be postponed to the next banking day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first banking day preceding the original date.
Condition – Bondholder’s put option: 12)	On Redemption Date the Bondholders have a right to redeem the bonds at the Corresponding Price. Claim of redemption must be received by the account operator investor in writing no later than 15 banking days prior to the Redemption Date in question, as mentioned under The Bondholders Put Option.
Condition – Issuer’s call option: 13)	On Redemption Date, the Issuer has a right to redeem the bonds, completely or partly by drawing lots at the Corresponding Price. If the Issuer makes use of this right to redemption, the Issuer shall notify the Trustee, Bondholders and Nordic ABM regarding this matter no later than 30 banking days prior to the Redemption Date in question. The notification shall also be forwarded to the Bondholders through the Securities Depository as soon as possible.
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account in the Securities Depository.
Issuer’s acquisition of bonds:	The issuer has the right to acquire and own the bonds. Such bonds may at the Issuer’s discretion be retained by the Issuer, sold or used for partial redemption.
Amortisation: 4)	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan Amount has been sold by the Arranger(s). Later taps can be made by authorized securities brokers.
Legislation:	Disputes arising from or in connection with the Loan Agreement, which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee’s competent legal venue.
Fees and expenses:	The Issuer shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

Trondheim, 10 November 2014



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