Intertrust

Notice for written procedure for bonds issued by Blåfjell AS/
Nw. Innkalling til skriftlig prosedyre for obligasjoner utstedt av Blåfjell AS

To the holders of the Senior Secured Fixed Rate Bonds with ISIN: NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2017

This notice includes a Norwegian translation of some of the text. In case of any inconsistency between the English text and the Norwegian translation, the English text shall prevail.

*Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds (the "**Terms and Conditions**").*

This notice has been sent by Intertrust (Norway) AS (the "Trustee") to direct registered owners and registered authorised nominees (Nw. *forvaltere*) of the Bonds recorded as of 26 May 2020 in VPS. If you are an authorised nominee under the Norwegian Securities Depositary Act of 2019 no. 6 (*Nw. Verdipapirsentralloven*) or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in Section B (*Decision procedure*) for further information.

Intertrust (Norway) AS (the "Trustee") is acting as Trustee on behalf of the Bondholders under the Terms and Conditions.

Nw.
Det henvises til *Notice to Bondholders* datert 3. august 2020, og det vedlagte brevet fra Kvale Advokatfirma vedrørende innledning av rekonstruksjon av Blåfjell AS og Blåfjell Holding AS.

Tillitsmannen har mottatt informasjon fra Rekonstruksjonsutvalget (heretter «RU») hvor det informeres om at RU har besluttet å samtykke til avtaler mellom selskaper og aksjonærene og Grong Sparebank om opptak av lån på inntil NOK 3,8 millioner til finansiering av drift av virksomhetene under rekonstruksjonsforhandlingene og til finansiering av selve rekonstruksjonsforhandlingene, jf. Rekonstruksjonsloven § 19.
Lånene vil bli gitt superprioritet foran eksisterende gjeld i varelager, driftstilbehør og fordringer. Dette innebærer at de nye lånene på inntil NOK 3,8 milljoner vil ha prioritet foran sikkerheten for eksisterende gjeld, herunder obligasjonene.

Som registrert panthaver på vegne av obligasjonseierne, kan Tillitsmannen fremsette begjæring for tingretten om omgjøring av beslutningen til RU innen en uke etter at underretningen er mottatt. Tillitsmannen vil arbeide for å forskyve fristen slik at den kan hensynta behovet for en beslutning fra Obligasjonseierne vedrørende dette.

På bakgrunn av dette initierer herved Tillitsmannen en skriftlig prosedyre (heretter «**Skriftlige Prosedyre**») hvor obligasjonseierne kan stemme for eller imot å begjære omgjøring av beslutningen til rekonstruksjonskomiteen om å godkjenne lån med superprioritet (heretter «**Forslaget**»). Forslaget er beskrevet under avsnitt A (*Background and Proposal*).

Tillitsmannen ønsker å understreke betydningen av at obligasjonseierne deltar i den Skriftlige Prosedyre, grunnet tidsfristen gitt av retten for begjæring om omgjøring.

Reference is made to the *Notice to Bondholders* dated 3 August 2020, and the enclosed letter from Kvale Law Firm concerning the reconstruction of Blåfjell AS and Blåfjell Holding AS.

The Trustee has received information from the Reconstruction Committee (the "**RC**") stating that the RC has resolved to approve of agreements between Blåfjell AS, Blåfjell Holding AS, the shareholders and Grong Sparebank of access to loans limited to NOK 3,8 million. The purpose of the loans is the financing of the reconstruction negotiations and the financing of the operational business of the companies while the reconstruction negotiations and in accordance with the Law of Reconstruction § 19. The Loans will have superior priority among other existing debt in inventory, machinery and receivables. This means that the new loans of NOK 3,8 million will rank prior to the security for the existing debt, including the Bonds.

The Trustee, in capacity as the registered pledgee on behalf of the Bondholders, can file for a motion of reversal of the decision made by the RC. The deadline for the filing of the motion of reversal is originally set to be one week from the receival of the information of the decision. The Trustee will try to postpone the deadline in order for the Bondholders to be able to make a decision with regards to the filing of motion of reversal.

Based on the background described above, the Trustee hereby initiates a written procedure (the "**Written Procedure**"), whereby the Bondholders can vote in favour of filing a motion of reversal of the decision made by the RC or vote in favour of not doing so (the "**Proposal**"). The proposal is described in Section A *(Background and Proposal)*.

The Trustee wants to emphasize the importance of participation in this Written Procedure, due to the deadline for the Trustee for filing a motion of reversal.

NO DUE DILIGENCE CARRIED OUT IN CONNECTION WITH THIS WRITTEN PROCEDURE

Please note that no due diligence whatsoever (legal, financial, tax, environment or otherwise) has been carried out by the Trustee or any of its advisors or any other person for the purposes of the Written Procedure or with respect to the Issuer or its assets, why this notice for the Written Procedure does not contain any risk factors or other disclosures with respect to the Issuer or its assets that have been produced as a result of any such due diligence.

LIMITATION OF LIABILITY OF THE TRUSTEE

The Proposal and the recommendation from the Bondholders' Committee is presented to the Bondholders by the Trustee in accordance with the obligations under clause 16.4, without any evaluation, advice or recommendations from the Trustee to the Bondholders whatsoever. The Trustee has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Trustee expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Trustee has assumed that documentation and other evidence (if any) delivered to it pursuant the Proposal is accurate, correct and complete and the Trustee has not verified the contents of any such documentation. The Bondholders are recommended to seek their own professional advice in order to independently evaluate whether the Proposal (and its effects) is acceptable or not. Neither the Trustee, nor any of its advisors has carried out any due diligence in connection with the Proposal and no party can guarantee any satisfactory outcome of the Proposal set out herein.

ALL BONDHOLDERS ARE STRONGLY ENCOURAGED TO REVIEW AND CONSIDER THE PROPOSAL

Before making a decision whether to accept the Proposal, each Bondholder is advised to carefully review the content of this document and the proposed resolution set out in Paragraph 5 of Section A *(Background and Proposal)* below and the limitation of liability provision set out above. If a Bondholder is uncertain as to the content and significance of this document and the measures the Bondholder should take, the Bondholder is advised to consult its own legal, tax or financial advisor for this purpose. The Trustee will not, and is under no obligation to, update this document.

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PARTICIPATION IN THE WRITTEN PROCEDURE

Bondholders may participate in the Written Procedure by completing and sending the voting form attached below to the Trustee. The Trustee must **receive the voting form no later than by 12.00 (CET) on 24 August 2020** by mail, via courier or e-mail to the addresses indicated below. Votes received thereafter will be disregarded. Please note that the Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before 12.00 (CET) 24 August 2020.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 7 August 2020 (the "Record Date"). This means that the person must be registered on a Securities Account with VPS as a direct registered owner (Nw. *direkteregistrert* eier) or authorised nominee (Nw. *forvalter*) with respect to one or several Bonds.

If you have an interest in a Bond but are not registered as a direct registered owner or authorised nominee on a Securities Account, you need to obtain a power of attorney or other proof of authorisation from the person who fulfils the formal criteria for being a Bondholder on the Record Date, to be able to participate. An alternative may be to ask the person that is registered as a Bondholder and holds the Bonds on your behalf to vote in its own name as instructed by you. For further information on voting, please see under *Voting rights* in Section B *(Decision procedure)*.

Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Nw:
Viktige datoer:

Record Date (for å stemme): **7. august 2020**

Siste frist for å stemme: **24. august 2020, kl. 12.00**

Important Dates

Record Date (for voting): **7 August 2020**

Last time and day to vote: **12.00 CET on 24 August 2020**

A. Background and Proposal

1. Background and current situation/ Nw. Bakgrunn og den nåværende situasjonen:

Nw.

Tillitsmannen har mottatt informasjon fra Rekonstruksjonsutvalget (heretter «**RU**») hvor det informeres om at RU har besluttet å samtykke til avtaler mellom selskaper og aksjonærene og Grong Sparebank om opptak av lån på inntil NOK 3,8 millioner til finansiering av drift av virksomhetene under rekonstruksjonsforhandlingene og til finansiering av selve rekonstruksjonsforhandlingene, jf. Rekonstruksjonsloven § 19.
Lånene vil bli gitt superprioritet foran eksisterende gjeld i varelager, driftstilbehør og fordringer. Dette innebærer at lånene vil ha prioritet foran sikkerheten til obligasjonene.

Som panthaver på vegne av obligasjonseierne, kan Tillitsmannen fremsette begjæring for tingretten om omgjøring av beslutningen til RU innen en uke etter at underretningen er mottatt. Tillitsmannen vil arbeide for å forskyve fristen slik at den kan hensynta behovet for en beslutning fra Obligasjonseierne vedrørende dette.

Det mottatte informasjonen fra RU er inntatt i det følgende:

> *«Rekonstruksjonsutvalget besluttet i møte i går å samtykke til avtaler mellom selskapene og aksjonærene og Grong Sparebank om opptak av lån på inntil MNOK 3,8 til finansiering av drift av virksomhetene under rekonstruksjonsforhandlingene og til finansiering av selve rekonstruksjonsforhandlingene, jf. Rekonstruksjonsloven § 19. Lånene vil bli gitt superprioritet foran eksisterende gjeld i varelager, driftstilbehør og fordringer.*
>
> *Som panthaver kan Intertrust fremsette begjæring for tingretten om omgjøring av samtykke innen en uke etter at denne underretning er mottatt.»*

The Trustee has received information from the Reconstruction Committee (the "RC") stating that the RC has resolved to agree with Blåfjell AS, Blåfjell Holding AS, the shareholders and Grong Sparebank to approve loans limited to NOK 3,8M. The purpose of the loans is the financing of the reconstruction negotiations and the financing of the operational business of the companies while the reconstruction negotiations and in accordance with the Law of Reconstruction § 19. The Loans will have superior priority among other existing debt in inventory, machinery and receivables. This means that the loans will rank prior to the security for the Bonds.

The Trustee, in capacity as the registered pledgee on behalf of the Bondholders, can file for a motion of reversal of the decision made by the RC. The deadline for the filing of the motion of reversal is originally sat to be one week from the receival of the information of the decision. The Trustee will try to postpone the deadline in order for the Bondholders to be able to make a decision with regards to the filing of motion of reversal.

2. The Proposal/Nw. Forslaget

Nw.

Den Skriftlige Prosedyren omhandler følgende Forslag:

Forslag:

Tillitsmannen skal på vegne av obligasjonseierne sende begjæring om omgjøring av rekonstruksjonsutvalgets beslutning til Tingretten.

This Written Procedure is considering the following Proposal:

Proposal:

The Trustee shall on behalf on the Bondholders file a motion for reversal of the decision made by the Reconstruction Committee to the District Court.

4. Request for approval and consent

The Bondholders are hereby asked to:

1. Consider the Proposal set out above;
2. Authorize the Trustee to (on behalf of the Bondholders) take all such steps as may be deemed necessary or desirable to implement the Proposal and/or to achieve its purpose, to execute and enter into any documents that may be necessary in connection with the Proposal including any consequential amendments to the Terms and Conditions;
3. To acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE TRUSTEE".

B. Decision procedure

The Trustee will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Proposal and determine the result of the Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure have been received by the Trustee, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will be sent by notice to the Bondholders, published on the websites of the Issuer and the Trustee and published by way of press release by the Trustee.

Minutes from the Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Trustee, as applicable.

IF THE PROPOSAL IS APPROVED BY THE WRITTEN PROCEDURE IT WILL BE BINDING ON ALL BONDHOLDERS WHETHER THEY PARTICIPATED IN THE WRITTEN PROCEDURE OR VOTED AGAINST THE PROPOSAL OR NOT, IN ACCORDANCE WITH THE TERMS AND CONDITIONS.

Voting rights

Anyone who wishes to participate in the Written Procedure must on 7 August 2020 (the "**Record Date**"):

(i) be registered on the Securities Account as a direct registered owner (Nw. *direkteregistrert eier*); or

(ii) be registered on the Securities Account as authorised nominee (Nw. *forvaltere*),

with respect to one or several Bonds.

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee (Nw. *forvaltere*) or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.

2. You can obtain a power of attorney or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Trustee recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

Pursuant to Clause 19.10 of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Proposal.

If a quorum does not exist, the Trustee shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before 12.00 (CET) on 24 August 2020 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

Majority

Pursuant to Clause 19.8 and 19.9 of the Terms and Conditions, **at least fifty (50) per cent.** of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure must consent to the Proposal in order for it to be approved.

Final date to vote in the Written Procedure

The Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CET) on 24 August 2020**. Votes received thereafter **will** be disregarded.

Address for sending replies

By regular mail:
Intertrust (Norway) AS
Attn: Eleonore Foss
P.O. Box 2051 Vika
0125 Oslo

By courier:
Intertrust (Norway) AS Attn: Eleonore Foss
Munkedamsveien 59B, 5th floor
0270 Oslo

By e-mail:
eleonore.foss@intertrustgroup.com
andreas.w.hennyng@intertrustgroup.com

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VOTING FORM

For the Written Procedure initiated on 7 August 2020 of the Senior Secured Fixed Rate Bonds with ISIN: NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2019.

The Issuer requests the Bondholders to approve the Proposal set out in the notice for the Written Procedure. The Trustee is hereby empowered to enter into all necessary documentation required to implement the Proposal, in the event the Proposal is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve ☐ **B) Reject** ☐ **C) Refrain from voting** ☐

with respect to the Proposal.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 17(j) of the Terms and Conditions with respect to the Proposal:

Confirmed ☐ **Not confirmed** ☐

Signature

_____

Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorization if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorized nominee. The voting form shall be signed by an authorized signatory. A certified copy of a registration certificate or a corresponding authorization document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.

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POWER OF ATTORNEY/AUTHORISATION[1]

For the Written Procedure initiated on 7 August 2020 of the Senior Secured Fixed Rate Bonds with ISIN: NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2019.

Authorized Person[2]: _____

Nominal Amount[3]: _____

Grantor of authority[4]: _____

We hereby confirm that the Authorized Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of[5]: _____

We are (put a cross in the appropriate box):

☐ Registered as authorized nominee on a Securities Account

☐ Registered as direct registered owner on a Securities Account

☐ Other intermediary and hold the Bonds through[6]_____

Date:

Signature

_____

[1] Use this form to confirm a person's/entity's authority to vote if the person/entity is not registered as a direct registered owner or authorized nominee.

[2] Insert the name of the person/entity that should be authorized to vote.

[3] Insert the aggregate nominal amount the Authorized Person should be able to vote for.

[4] Insert the name of entity/person confirming the authority.

[5] The total Nominal Amount the undersigned represents

[6] Mark this option if the undersigned is not registered as authorized nominee or direct registered owner in the Securities Account kept by Euroclear Sweden. Please insert the name of the firm the undersigned holds the Notes through.

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For further questions please see below.

To the Trustee:

Intertrust (Norway) AS
Eleonore Foss, eleonore.foss@intertrustgroup.com, +47 958 14 513
Andreas W. Hennyng, andreas.w.hennyng@intertrustgroup.com, +47 971 87 151

Oslo on 7 August 2020

Intertrust (Norway) AS

as Trustee