

This is a translation of the applicable Articles of Association of P/F Atlantic Petroleum worded in Faroese. The Articles of Association worded in Faroese is the Articles of Association applying to the Company and this translation do only serve as a translation of the Faroese worded Articles of Association. In case of inconsistency between the original Faroese worded Articles of Association and this translation the original Faroese prevails.

## **ARTICLES OF ASSOCIATION OF**

**P/F Atlantic Petroleum**

**Resolved on the establishing General Meeting the 11<sup>th</sup> Feb. 1998,**

**and as latest amended on the Annual General Meeting held on the 29th April 2016,  
and by Board Resolution on the 13th March 2017.**

### **I. Name, Registered Office, and Objectives**

#### **Clause 1.**

The name of the company is 'P/F Atlantic Petroleum', with the secondary name 'P/F Atlants Kolvetni (Atlantic Petroleum)'.

The company's registered office is in the municipality of Tórshavn.

The Company's objective is to run business in the field of hydrocarbon production and other related trades and businesses. The objective of the Company is also to run business within the field of real estate, including – but not limited to – own, rent, lease out, buy, sell and run business within real estate and other related trades and businesses. The Company can own shares in other Companies and conduct its businesses through subsidiaries.

### **II. The Share Capital**

#### **Clause 2.**

##### **Subclause 1.**

The Company's share capital is **DKK 3.697.860,00**

The shares have nominal value of DKK 1,- each and multiple hereof.

No shares have special rights.

The shares shall be made out to a named holder and are negotiable.

The shareholders are not obliged to redeem their shares.

### **Clause 3.**

#### **Sub clause 1.**

The General Meeting has decided that the company's Board of Directors has authority in the period until 11 April 2018 – in one or several rounds – to increase the company's share capital with up to DKK 3.000.000 in nominal value by subscription of new share capital. The increase of the share capital will be made with pre-emptive rights for existing shareholders. The increase of the share capital can be made by subscription in cash or fully or partially be made by subscription in other values than cash, this including

that the company in connection with the increase of the share capital against consideration in shares takes over other existing enterprise, activity or company or shares in other company (merger);

that the company in connection with the increase of share capital without consideration in shares accepts such other values.

Payment of increase in the share capital can further fully or partially be made by way of conversion of the company's debt to share capital.

#### **Sub clause 2.**

For subscription of new share capital based on the authority in this clause the following conditions shall apply:

1. The share capital will have the same rights in the company as the existing share capital;
2. The shares shall be made out to a named holder and are negotiable;
3. The shareholders are not obliged to redeem their shares;
4. The shares have a nominal value of DKK 1,00 and multiple hereof.
5. In case of an oversubscription the company's Board of Directors is free to decide how the share capital offered for subscription – which is not subscribed on the basis of pre-emption rights of subscription - shall be distributed among those, who have offered to subscribe.

### **Clause 3A.**

The General Meeting has decided that the company's Board of Directors has authority in the period until 11 April 2018 – in one or several rounds – to increase the company's share capital with up to DKK 1.928.843 in nominal value by subscription of new share capital. The increase of the share capital will be made without pre-emptive rights for existing shareholders and subscription is to be made at market price. The increase of the share capital can be made by subscription in cash or fully or partially be made by subscription in other values than cash, this including

that the company in connection with the increase of the share capital against consideration in shares takes over other existing enterprise, activity or company or shares in other company (merger);

that the company in connection with the increase of share capital without consideration in shares accepts such other values.

Payment of increase in the share capital can further fully or partially be made by way of conversion of the company's debt to share capital.

**Sub clause 2.**

For subscription of new share capital based on authority in this clause the following conditions shall apply:

1. The share capital will have the same rights in the company as the existing share capital;
2. The shares shall be made out to a named holder and are negotiable;
3. The shareholders are not obliged to redeem their shares;
4. The shares have a nominal value of DKK 1,00 and multiple hereof.
5. In case of an oversubscription the company's Board of Directors is free to decide how the share capital offered for subscription shall be distributed among those, who have offered to subscribe.

**Clause 3 C**

**Sub clause 1.**

The Annual General Meeting has decided to authorize the Company's Board of Directors in the period counting from 30<sup>th</sup> April 2016 to 29<sup>th</sup> April 2021 – in one or several rounds – to increase the Company's share capital with up to in total DKK 150,000,000 in nominal value by subscription of new share capital. The increase of the share capital will be made with pre-emptive rights for existing shareholders. The increase of the share capital can in full or partly be made by subscription against payment in cash or fully or partially be made by subscription against payment in other values than cash, or fully or partially be made by subscription against payment by way of conversion of debt to share capital. The increase of the share capital can be effected below market value.

**Sub clause 2.**

For subscription of new share capital based on the authority in this clause the following conditions shall further apply:

1. The new share capital will have the same rights in the Company as the existing share capital;
2. the new shares shall be made out to a named holder and are negotiable;
3. the new shares cannot be paid in in part;
4. the new shareholders are not obliged to redeem their shares;
5. the shares have a nominal value of DKK 1 and multipla hereof;
6. in case of an oversubscription the Company's Board of Directors is free to decide how the share capital offered for subscription – which is not subscribed as of pre-emption rights of subscription - shall be divided among those, who have subscribed.”

### Clause 3 D

#### Sub clause 1.

The Annual General Meeting has decided to authorize the Company's Board of Directors in the period counting from 30<sup>th</sup> April 2016 to 29<sup>th</sup> April 2021 – in one or several rounds – to increase the Company's share capital with up to in total DKK 150,000,000 in nominal value by subscription of new share capital. The increase of the share capital will be made without pre-emptive rights for existing shareholders. The increase of the share capital can in full or partly be made by subscription against payment in cash or fully or partially be made by subscription against payment in other values than cash, or fully or partially be made by subscription against payment by way of conversion of debt to share capital. The increase of the share capital cannot be effected below market value.

#### Sub clause 2.

For subscription of new share capital based on authority in this clause the following conditions shall further apply:

1. The new share capital will have the same rights in the Company as the existing share capital;
2. the new shares shall be made out to a named holder and are negotiable;
3. the new shares cannot be paid in in part;
4. the new shareholders are not obliged to redeem their shares;
5. the shares have a nominal value of DKK 1 and multipla hereof;
6. in case of an oversubscription the Company's Board of Directors is free to decide how the share capital offered for subscription shall be divided among those, who have subscribed.

### Clause 3 E

#### Sub-clause 1.

The Annual General Meeting has decided to authorize the Company's Board of Directors in the period counting from 30<sup>th</sup> April 2016 to 29<sup>th</sup> April 2021 – in one or several rounds – to take up loans with up to in total DKK 200,000,000 against issue of convertible bonds giving the right to subscribe shares in the Company. The issue of the convertible bonds according to this authorization will be made without pre-emptive rights for existing shareholders. The loans shall be paid in in cash. The Board of Directors will lay down the specific terms of the convertible bonds issued in accordance with this authorisation.

#### Sub-clause 2.

The Board of Directors is authorised during the period 30 April 2016 to 29 April 2021 to increase one or several times the share capital in connection with conversion of the convertible bonds by up to nominal DKK 200,000,000 by converting of the convertible bonds and on such other terms as laid down by the Board of Directors. The Company's existing shareholders shall not have preemptive rights to subscribe the shares issued upon conversion of the convertible notes.

#### Sub-clause 3.

For subscription of new share capital based on authority in this clause the following conditions shall further apply:

1. The new share capital will have the same rights in the Company as the existing share capital;
2. the new shares shall be made out to a named holder and are negotiable;
3. the new shares cannot be paid in in part;
4. the new shareholders are not obliged to redeem their shares;
5. the shares have a nominal value of DKK 1 and multipla hereof.

#### Sub-clause 4.

On the 25<sup>th</sup> May 2016, the Company made an agreement with London Oil and Gas Limited to borrow up to GBP 8,000,000 (with the current exchange rate DKK 68,548,800) to be paid to the company in accordance with specific draw down notices in the period expiring 25<sup>th</sup> May 2019 (The Convertible Loan). Any draw down under the Convertible Loan is done against the Company issuing a convertible bond for an amount equivalent to the draw down amount, and the total amount of convertible bonds must at any time be specified in Clause 3E, Sub Clause 5 in the Articles of Association and must not exceed a DKK amount equivalent to GBP 8,000,000 (the equivalent DKK amount will be determined for every draw down on the day of the draw down). The convertible bonds with interest will give the lender to convert the outstanding amount to shares in the Company. More detailed terms and conditions for the Convertible Loan are specified in Appendix 1 to the Articles of Association, containing the full Board Resolution, which is an integrated part of the Company's Articles of Association. As a consequence of this the Board has decided to partly use the authority given under Clause 3E, Sub Clause 2 to increase the share capital, in accordance with the terms and conditions in Appendix 1 in relation to the convertible bonds, by up to 6,236,240 shares of DKK 1 each. However, this amount can increase due to adjustment and interests in accordance with Appendix 1, Point 2.4, and because of exchange rate changes between GBP and DKK.

**Sub-clause 5.**

At a board meeting 13<sup>th</sup> March 2017 the board resolved to draw GBP 881,478, which is equivalent to DKK 7,744,604 under the Convertible Loan, and to issue convertible bonds, that can be converted into shares in the Company at an equivalent amount in DKK and in accordance with the terms and conditions in Appendix 1 to the Articles of Association of the Company. Following this, the undrawn amount under the Convertible Loan is GBP 7,118,522 which is DKK 60,995,767.60 as of 8<sup>th</sup> March 2017.

**Clause 4.**

Notice from the limited company to the shareholders shall be forwarded to each shareholder in writing to the address, which latest is registered in the share register, or by announcing in a public Faroese announcement paper.

The shares can be cancelled without judgement according to the existing law at the time concerning negotiable shares.

**III. The General Meeting**

**Clause 5.**

The General Meeting is organised by the shareholders, which have 1 vote for every DKK 1, they hold in shares.

In order to have voting rights the shares must be registered in the company's share register before the general meeting is held.

**Clause 6.**

At the earliest 30 days and at the latest 21 days before the general meeting, the Board of Directors gives notice of the general meeting, with specification of time, place and agenda, by writing to each shareholder to the address which latest is registered in the share register, or by announcement in a public Faroese announcement paper.

The Company's general meetings are to be held at the Company's domicile in the municipality of Tórshavn, Faroe Islands, in the municipality of Copenhagen, Denmark, in Oslo in Norway or in London, England.

The General Meeting will – as decided by the Board of Directors – be held in Faroese or English language.

#### **Clause 7.**

The Ordinary General Meeting is held each year before end of April, for treatment of

1. The Board of Directors statement of the company's activity during the previous accounting year.
2. Presentation of audited annual accounts for approval.
3. Decision on how to use profit or cover loss according to the approved accounts and annual report.
4. Election of Board of Directors.
5. Election of accountant, who will sit until the next general meeting is held.
6. Items which the Board of Directors or the shareholders wish to treat.

#### **Clause 8.**

All shareholders have the right to have a specific item added to the agenda for the general meeting – see also second and third sentence. If the request hereof is received at the latest 6 weeks prior to the date for the general meeting the shareholder is entitled to have the item on the agenda. If the request is received later than six weeks prior to the general meeting the board decides whether the request has been put forward in due time to be included in the agenda.

#### **Clause 9.**

Extraordinary general meeting is to be held when a general meeting, the Board of Directors or the accountant appointed by the general meeting request it. Extraordinary general meeting must be summoned at the latest 2 weeks after a written request has been demanded by shareholders who together hold at least 5% of the share capital, for treatment of a specific item which is stated at the same time.

#### **Clause 10.**

During a consecutive period of three weeks, starting at the latest three weeks prior to the general meeting, including the day for the general meeting, the company must as a minimum provide its shareholders with the following information on its website: summons, information on the total number of shares and voting rights at the day of summon, the documents which will be presented at the general meeting, the agenda and the complete proposals, and the forms needed for voting by proxy or by letter ballot.

**Clause 11.**

A shareholder's right to attend the general meeting and to vote will be in proportion to the number of shares he/she holds on the day of registration. The day of registration is 1 week prior to the general meeting.

A shareholder can give another person written authority to attend the general meeting, and vote by proxy.

The press can also attend the general meeting.

A shareholder, his proxy, and the press have a right to attend the general meeting if they at the latest 3 days prior to the general meeting have notified the company hereof.

**Clause 12.**

The general meeting, on proposal from the Board of Directors, chooses a chairman.

**Clause 13.**

At the general meeting, all items are decided by simple majority of votes, if not otherwise stipulated by the Companies Act.

**Clause 14.**

Minutes shall be taken of the general meeting, and the chairman shall sign it.

**Clause 15.**

The chairman of the general meeting decides the voting procedure, but every shareholder present at the general meeting and who has voting right, can demand voting in writing of a specific item.

**IV. The Board of Directors**

**Clause 16.**

The company's Board of Directors has 3 members.

The company's ordinary general meeting elects the Board of Directors, and the members are elected for 1 year at the time. Re-election is allowed. During a transition period, the board members up for election at the annual general meeting in 2013, at that time and forward, will be elected for 1 year period at the time and the Board Members who are up for election at the annual general meeting in 2014, at that time and forward, will be elected for a 1 year period at the time.

The Board of Directors constitutes itself, and it appoints a Board of Management with one or several Managing Directors to manage the day-to-day business of the company.

The board members receive remuneration for the work on the Board of Directors.

General guidelines for the company's incentive payment to the Board of Directors and the Board of Management have been made. These general guidelines are adopted at the company's general meeting and published on the website of the company.

#### **Clause 17.**

The Board of Directors holds meetings when the chairman finds it necessary, or when one of the other board members or a Managing Director so wishes.

#### **Clause 18.**

In order to form a quorum at least 2 board members must be present at the meeting. All decisions are made by simple majority of votes. If the votes are even, the vote of the chairman determines the outcome.

#### **Clause 19.**

The company is bound by the signature of two board members together, by one board member together with one Managing Director, or by the whole Board of Directors.

Board discussions and decisions are written in Minutes, and are signed by all participants. The board has authority to give power of attorney.

#### **Clause 20.**

On every ordinary general meeting up to two accountants are appointed to audit the company's accounts and compare them to the figures from the accountancy. The accountants must be chartered.



**Clause 21.**

The company's accounting year is the calendar year. However, the first accounting year is from the foundation until 31/12-1998.

**Clause 22.**

The account must be made in accordance with good accounting practice and in a manner so that all required and necessary depreciation and provisions are made.

When legislation permits the Company's annual report will be prepared and filed in English.

----- 0 -----

**ARTICLES OF ASSOCIATION of P/F Atlantic Petroleum as resolved on the establishing general meeting the 11<sup>th</sup> Feb. 1998 and as latest amended on the Annual General Meeting held on the 29<sup>th</sup> April 2016, and by Board Resolution on the 13th March 2017.**

**13th March 2017**

**The Board of Directors:**

## BILAG 1 TIL P/F ATLANTIC PETROLEUMS VEDTÆGTER

### *APPENDIX 1 TO P/F ATLANTIC PETROLEUM'S ARTICLES OF ASSOCIATION*

---

ADVOKATFIRMA

WWW.KROMANNREUMERT.COM

CVR-NR. DK 62 60 67 11

ANSVARLIG PARTNER

CHRISTINA BRUUN GEERTSEN

25 JUNI 2016

SAGSNR. 1037147 CBG/CBG

DOK. NR. 22675459-4

#### **1. BESLUTNING / DECISION**

- 1.1.1 På bestyrelsesmødet 13. marts 2017 i P/F Atlantic Petroleum, CVR-nr. 2695 ("Selskabet"), blev det vedtaget delvist at udnytte bemyndigelsen i vedtægternes pkt. 3E til at udstede obligationer, der kan konverteres til aktier i Selskabet, for op til modværdien i DKK af GBP 8.000.000 med tillæg af renter, idet de specifikke obligationer vil blive udstedt efter hver trækning under låneaftalen.

*At the board meeting held 13<sup>th</sup> March 2017 in P/F Atlantic Petroleum, company reg. no. 2695 (the "Company") it was decided to partially exercise the authority provided under Article 3E of the Articles of Association to issue bonds convertible into shares in the Company in an amount of up to the DKK equivalent of GBP 8,000,000 plus interest, with the specific convertible bonds being issued upon each drawdown being made under the loan agreement.*

- 1.1.2 Det konvertible lån er ydet til Selskabet af London Oli and Gas Limited ("Långiver").

*The convertible loan provided to the Company is obtained from London Oil and Gas Limited (the "Lender").*

#### **2. VILKÅR FOR DET KONVERTIBLE LÅN / TERMS OF THE CONVERTIBLE LOAN**

- 2.1.1 Det konvertible lån er ydet mod udstedelse af obligationer, der kan konverteres til aktier i Selskabet ("Konvertering").

*The convertible loan is obtained against issue of bonds convertible into shares in the Company (hereinafter the "Conversion").*

## **2.2 Trækning / Drawdown**

- 2.2.1 Trækninger på det konvertible lån kan, med forbehold af visse betingelser, foretages i perioden frem til og med den 25. maj 2019. Trækning på lånet kan ske i to trancher. Første tranche kan trækkes i trækninger af op til modværdien i DKK af GBP 100.000 pr. måned, medmindre andet er aftalt med Långiver. Anden tranche kan trækkes i trækninger af et hvilket som helst beløb, samlet set dog maksimalt modværdien i DKK af GBP 6.000.000 (idet de samlede trækninger under de to trancher dog ikke må overstige modværdien i DKK af GBP 8.000.000). Pkt. 3E i Selskabets vedtægter skal efter hver trækning revideres, således at punktet afspejler de samlede trækninger og dermed de samlede udstedte konvertible obligationer. Yderligere gælder, at pkt. 2 i Selskabets vedtægter efter hver Konvertering skal ændres, således at punktet afspejler den af Konverteringen følgende forhøjelse af aktiekapitalen.

*The convertible loan may, subject to certain conditions, be drawn down in the period until and including 25 May 2019. The Facility may be drawn down in two tranches. The first tranche may be drawn down in drawings of up to the DKK equivalent of GBP 100,000 per month unless otherwise agreed by the Lender. The second tranche may be drawn down in any sums up to the aggregate maximum of the DKK equivalent of GBP 6,000,000 (provided that the total drawdowns of the two tranches do not exceed the DKK equivalent of GBP 8,000,000). Article 3E of the Company's articles of association will be amended upon each drawdown to reflect the total drawdown and consequently the total convertible bonds issued. Further, Article 2 of the Company's articles of association will be amended upon each Conversion to reflect the increase of the share capital actually made as a result from the Conversion.*

- 2.2.2 Hvis et beløb under første eller anden tranche stadig ikke er trukket inden 25. maj 2019, kan Långiver senest fem (5) bankdage efter denne dato ved skriftligt påkrav til Selskabet kræve hele eller en del af det resterende beløb trukket (maksimalt modværdien i DKK af GBP 8.000.000).

*If any amount of the first or the second tranche has not been drawn down before 25 May 2019 then, no later than five (5) business days following such date, the Lender may by notice in writing to the Company require that the balance of the two tranches be drawn down in full or in part (maximum the DKK equivalent of GBP 8,000,000).*

## **2.3 Tilbagebetaling / Repayment**

Selskabet skal tilbagebetale hver trækning, inklusive eventuelle påløbne renter eller udestående omkostninger, 36 måneder efter den pågældende trækning eller senere som Långiver måtte fastsætte (dog senest 48 måneder efter trækningen), medmindre Långiver har udnyttet sin ret til at konvertere det konvertible lån til aktier i Selskabet.

*The Company shall repay each drawdown, together with any accrued interest or fees outstanding, 36 months after each drawdown or such later date as the Lender may specify (not being more than 48 months after the relevant drawdown), unless the Lender has exercised its right to convert the convertible loan to shares in the Company.*

## **2.4 Rente / Interest**

- 2.4.1 Lånet trukket under det konvertible lån forrentes i relation til hver trækning med 9 % p.a., hvilken rente tilskrives månedligt og er konvertibel med lånets hovedstol for hver trækning. Hvis Selskabet ikke rettidigt indbetaler et

forfaldent beløb, forrentes det pågældende beløb med 11% p.a. fra forfaldsdagen og indtil betaling sker.

*The loan drawn down under the convertible loan accrues interest on each drawdown with 9% p.a., with accrued interest capitalised monthly and convertible with the principal loan in respect of each drawdown. In addition, if the Company fails to pay any amount payable on its due date, interest shall accrue on that unpaid amount from the due date to the date of the actual payment at a rate which is 11% p.a.*

## **2.5 Misligholdelse / Events of default**

- 2.5.1 I tilfælde af misligholdelse kan Långiver ved meddelelse til Selskabet (a) annullere den ikke-trukne del af lånet; (b) erklære, at hele eller en del af lånet, inklusive påløbne renter og alle øvrige skyldige beløb, forfalder til øjeblikkelig betaling, hvorefter dette så vil være tilfældet; og/eller (c) erklære, at de i (b) nævnte beløb forfalder til betaling på anfordring fra Långiver, hvorefter dette så vil være tilfældet.

*If an event of default is outstanding, the Lender may by notice to the Company (a) cancel the portion of the undrawn facility; (b) declare that all or part of the loan, together with accrued interest and all other amounts due are immediately due and payable, at which time they will become immediately due and payable; and/or (c) declare that the money referred to in paragraph (b) will be payable on demand, at which they will become immediately payable on demand from the Lender.*

## **3. KONVERTERINGSVILKÅR / TERMS OF CONVERSION**

### **3.1 Konverteringskurs og konverteringsperiode / Conversion price and conversion period**

- 3.1.1 Det konvertible lån, inklusive påløbne renter, kan efter hver trækning, hvis Långiver ønsker det, konverteres fuldt ud til ordinære aktier à nominelt DKK 1 i Selskabet til en konverteringskurs på DKK 15 pr. ordinær aktie af DKK 1. Indtil lånet, inklusive renter, er fuldt ud tilbagebetalt, kan långiver frit og til enhver tid ved meddelelse til låntager kræve obligationerne konverteret helt eller delvist.

*The convertible loan and accrued interest will be fully convertible at any time following each drawdown at the Lender's election into ordinary shares of nominal DKK 1 each in the Company at a conversion price of DKK 15 per ordinary share of DKK 1. The Lender may at its sole election at any time before the loan and accrued interest is repaid in full serve conversion notice on the borrower requesting for the loan to be converted in part or in full.*

### **3.2 Konvertering efter kapitalforhøjelse / Conversion following a capital increase**

- 3.2.1 Træffes der beslutning om tildeling eller udstedelse af nye aktier, warrants, konvertible obligationer (ud over konvertible obligationer udstedt under det konvertible lån) eller andre instrumenter baseret på aktier i Selskabet, er Långiver ved konvertering berettiget til at modtage den samme procentdel af den udstedte aktiekapital i Selskabet, med samme andel af stemmerettigheder og samme ret til at modtage udbytte fra Selskabet, som hvis det konvertible lån var blevet konverteret forud for en sådan beslutning (og med den nødvendige reduktion eller forhøjelse af den overkurs, der måtte følge af tildeling og udstedelse af nye aktier ved konvertering), idet Konverteringskursen dog aldrig kan være under kurs pari for aktierne.

*If a decision is made to allot or issue new shares, warrants, convertible bonds (other than convertible bonds issued under the convertible loan) or other equity based securities in the Company, the Lender shall on conversion be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company as if the convertible loan was converted prior to the decision to allot or issue new shares,*

warrants, convertible bonds (other than convertible bonds issued under the convertible loan) or other equity based securities (and making any reduction or increase as is necessary to the premium arising on the allotment and issue of the new shares on conversion) it being understood that in any event the Conversion Price cannot be below par value of the shares.

### **3.3 Konvertering efter fusion eller spaltning / Conversion following a merger or a demerger**

- 3.3.1 Træffes der beslutning om fusion eller spaltning af Selskabet, er Långiver ved Konvertering berettiget til at modtage den samme procentdel af den udstedte aktiekapital i Selskabet, med samme andel af stemmerettigheder og samme ret til at modtage udbytte fra Selskabet, som hvis det konvertible lån var blevet konverteret forud for en sådan beslutning (og med den nødvendige reduktion eller forhøjelse af den overkurs, der måtte følge af tildeling og udstedelse af nye aktier ved konvertering), idet Konverteringskursen dog aldrig kan være under kurs pari for aktierne.

*If a decision is made to merge or demerge the Company, the Lender shall on Conversion be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company as if the convertible loan was converted prior to the decision to merge or demerge the Company (and making any reduction or increase as is necessary to the premium arising on the allotment and issue of the new shares on conversion) it being understood that in any event the Conversion Price cannot be below par value of the shares.*

### **3.4 Konvertering efter kapitalnedsættelse / Conversion following a capital decrease**

- 3.4.1 Træffes der beslutning om annullering, køb, indfrielse, reduktion eller tilbagebetaling af egenkapitalinstrumenter, er Långiver ved Konvertering berettiget til at modtage den samme procentdel af den udstedte aktiekapital i Selskabet, med samme andel af stemmerettigheder og samme ret til at modtage udbytte fra Selskabet, som hvis det konvertible lån var blevet konverteret forud for en sådan beslutning (og med den nødvendige reduktion eller forhøjelse af den overkurs, der måtte følge af tildeling og udstedelse af nye aktier ved konvertering), idet Konverteringskursen dog aldrig kan være under kurs pari for aktierne.

*If a decision is made to cancel, purchase or redeem equity securities or to reduce or repay equity securities, the Lender shall on Conversion be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company as if the convertible loan was converted prior to the decision to cancel, purchase or redeem equity securities or to reduce or repay equity securities (and making any reduction or increase as is necessary to the premium arising on the allotment and issue of the new shares on conversion) it being understood that in any event the Conversion Price cannot be below par value of the shares.*

### **3.5 Konvertering efter beslutning om likvidation / Conversion following decision of liquidation**

Hvis Selskabet træder i likvidation eller opløses inden Konvertering af det konvertible lån, forfalder ethvert skyldigt beløb under det konvertible lån til betaling, og Selskabet skal, så vidt som det er juridisk muligt, inden beslutningens gennemførelse give Långiver meddelelse herom og mulighed for at kræve det konvertible lån konverteret til aktier i Selskabet.

*If the Company enters into liquidation or is dissolved before Conversion of the convertible loan, any amounts due under the convertible loan will fall due for payment and the Company shall, as far as legally possible, before such decision is carried out inform the Lender thereof, giving the Lender the ability to require the convertible loan converted into shares in the Company.*

**3.6 Konvertering efter ændring af stykstørrelse af aktierne / Conversion following any sub-division or consolidation of equity securities**

- 3.6.1 Træffes der beslutning om ændring af stykstørrelse af Selskabets aktier, er Långiver ved Konvertering berettiget til at modtage den samme procentdel af den udstedte aktiekapital i Selskabet, med samme andel af stemmerettigheder og samme ret til at modtage udbytte fra Selskabet, som hvis det konvertible lån var blevet konverteret forud for en sådan beslutning (og med den nødvendige reduktion eller forhøjelse af den overkurs, der måtte følge af tildeling og udstedelse af nye aktier ved konvertering), idet Konverteringskursen dog aldrig kan være under kurs pari for aktierne.

*If a decision is made to sub-divide or consolidate equity securities of the Company, the Lender shall on conversion be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company as if the convertible loan was converted prior to the decision to sub-divide or consolidate equity securities of the Company (and making any reduction or increase as is necessary to the premium arising on the allotment and issue of the new shares on conversion) it being understood that in any event the Conversion Price cannot be below par value of the shares.*

**3.7 Øvrige konverteringsvilkår / Other terms of conversion**

- 3.7.1 Ved konvertering af det samlede konvertible lån udgør det mindste beløb, hvormed aktiekapitalen skal kunne forhøjes, nominelt DKK 1 og det højeste beløb nominelt DKK 6.238.240, før eventuelle reguleringer i medfør af pkt. 2.4.1 og 0 - 3.6, samt regulering for valutakursudviklingen mellem DKK og GBP.

*At conversion of the entire convertible loan, the lowest and the highest amount by which the share capital is increased amounts to DKK 1 and DKK 6,238,240 nominal value, before any adjustments in accordance with Clauses 2.4.1 and 0 - 3.6 and for exchange rate developments between DKK and GBP.*

- 3.7.2 Selskabet skal føre en opdateret liste, hvoraf den aktuelle konverteringskurs på det konvertible lån fremgår.

*The Company shall keep an updated list from which the current conversion price of the convertible loan appears.*

- 3.7.3 Långiver tillægges fortegningsret til det konvertible lån og dermed fortegningsret til de aktier, der måtte blive udstedt som følge af konverteringen. Efter Konvertering gælder ingen indskrænkninger i aktionærernes fortegningsret ved fremtidige forhøjelser. De konvertible obligationer udstedes uden fortegningsret for eksisterende aktionærer, og Selskabets eksisterende aktionærer har ikke fortegningsret til de aktier, der udstedes ved Konvertering af de konvertible obligationer.

*The Lender shall have pre-emptive rights to the convertible loan and to the shares, which may be issued as a result of the Conversion. After any conversion no restrictions on the shareholders' pre-emption rights to future increases shall apply. The issue of the convertible bonds will be made without pre-emptive rights for existing shareholders and the Company's existing shareholders shall not have pre-emptive rights to subscribe the shares issued upon Conversion of the convertible notes.*

**4. ØVRIGE VILKÅR / MISCELLANEOUS**

I medfør af den færøske selskabslovs § 159 gælder i forbindelse med Konvertering i øvrigt følgende:

1. Den nye aktiekapital vil have samme rettigheder i Selskabet som den eksisterende.
2. Aktierne skal udstedes på navn og være omsætningspapirer.

3. Der kan ikke ske delvis indbetaling af de nye aktier.
4. Aktierne skal have en nominal værdi på DKK 1 eller multipla heraf.
5. De nye aktier skal være frit omsættelige.
6. De nye aktier giver ret til udbytte og andre rettigheder i Selskabet fra tidspunktet for konverteringen.
7. De nye aktionærer er ikke forpligtet til at indløse deres aktier.
8. Hver aktie giver én stemme for hver nominelt DKK 1.
9. Omkostningerne ved kapitalforhøjelsen, der skal afholdes af selskabet, anslås til DKK 20.000.

*In pursuance of Section 159 of the Faroese Companies Act the following shall also apply at Conversion:*

1. *The new share capital shall have the same rights in the Company as the existing share capital.*
2. *The shares shall be made out to a named holder and are negotiable instruments.*
3. *The new shares cannot be paid in in part.*
4. *The shares shall have a nominal value of DKK 1 or any multiple thereof.*
5. *The new shares shall be freely transferable.*
6. *The new shares shall confer on the holder the right to receive dividend and other rights in the Company from the time of conversion.*
7. *The new shareholders are not obligated to redeem their shares.*
8. *Each of the shares carries one vote for each nominal value of DKK 1.*
9. The estimated costs of the capital increase to be paid by the Company are DKK 20,000.

## **5. DIVERSE / MISCELLANEOUS**

- 5.1 Indholdet af dette bilag, herunder vilkårene for Konvertering, kan af bestyrelsen ændres og/eller justeres under forudsætning af, at sådanne ændringer og/eller justeringer ikke, samlet set, reducerer værdien af det konvertible lån for Långiver.

*The content of this Appendix, including the terms for Conversion may by the Board of Directors be changed and/or adjusted provided that such changes and/or adjustments do not - seen as a whole - reduce the value of the convertible loan for the Lender.*

- 5.2 Dette bilag, herunder vilkårene for Konvertering, er underlagt færøsk ret. Den danske tekst i dette bilag er gældende og den engelske tekst tjener alene som en oversættelse heraf. I tilfælde af uoverensstemmelse har den danske tekst forrang.

- 5.3 *Faroese law shall govern this Appendix, including the terms of Conversion. The Danish text of this Appendix applies and the English text only serves as a translation hereof. In case of inconsistency the Danish text shall prevail.* Enhver tvist, som måtte opstå i forbindelse med dette bilag, skal indbringes for de almindelige færøske domstole.

*Any dispute which may arise in connection with this Appendix shall be brought before the ordinary Faroese Courts.*