

## NOTICE TO A WRITTEN PROCEDURE

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 1 September 2021

**To the bondholders in:**

**ISIN: SE0015810759– SGL International A/S up to EUR 350,000,000 Senior Secured Bonds 2021/2025 (the "Bonds")**

### **NOTICE OF WRITTEN PROCEDURE – REQUEST TO AMEND AND CERTAIN PROVISIONS IN THE TERMS AND CONDITIONS OF THE BONDS**

**This voting request for procedure in writing will be sent by regular mail on 1 September 2021 to Bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Bonds (the "Terms and Conditions"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act 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. For further information, please see below under Clause 5.3 (*Voting rights and authorisation*).**

#### **Key information:**

Record Date for being eligible to vote:	6 September 2021
Deadline for voting:	17:00 27 September 2021
Quorum requirement:	At least twenty (20) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount voting

Intertrust (Sweden) AB in its capacity as agent (the "**Agent**") for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN SE0015810759 issued by SGL International A/S (the "**Issuer**" and together with TransGroup Global Inc and their respective subsidiaries, the "**Group**"), and as requested by the Issuer, hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's request to amend the Terms and Conditions of the Bonds.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the Terms and Conditions.

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Bonds are held in custody other than by the CSD, to the Agent. 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.

The Agent must receive the Voting Form no later than 17:00 (CEST) on 27 September 2021 either by mail, courier or email to the Agent using the contact details set out in Clause 5.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 6 September 2021 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

**Disclaimer:** *The Request (as defined below) is presented to the Bondholders without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.*

## 1. Background

### 1.1 Current situation

As a background information, the Issuer is currently seeing unprecedented organic growth opportunities arising from all-time high freight rates as a result of current market conditions.

The ocean freight market is currently experiencing a historic rate inflation with freight rates reaching new record levels on a weekly basis. The start of this development can be traced back to the global Covid-19 outbreak in March 2020 when container ocean carriers started pulling out capacity from the market due to uncertainty surrounding the global economic development, resulting in an immediate supply/demand imbalance as consumer spending did not subside as expected. Although global capacity levels amongst carriers have been largely restored, new bottlenecks throughout the supply chain have continued to emerge allowing ocean carriers to maintain record high freight rates. Containers are currently idling at terminals for a significantly longer period than pre-Covid-19, with many ports impacted by lockdowns decreasing port throughput. On top of an already stretched industry, isolated incidents such as the blockage of the Suez Canal and close down

of the Yantian Port following a local Covid outbreak have put further strain on the industry.

The aforementioned factors as well as continued commercial success resulting in new business opportunities have significantly increased the Group's working capital need in order to continue to operate as normal; this need is expected to remain inflated over the short-to-medium term. Pursuant to the Issuer Intercreditor Agreement, the Super Senior Headroom is defined as the higher of EUR 35,000,000 and 15 per cent of the aggregate of the amount outstanding under the Bonds and the total commitment of any Working Capital Facilities. The Issuer believes this limitation will put strain on the Group's operations in light of prevailing market conditions and is consequently seeking Bondholders' approval to increase the Super Senior Headroom from 15 per cent to 17.5 per cent of total outstanding senior debt.

In conjunction with the Issuer's original issuance of its Bonds in April 2021, certain intended acquisitions were communicated for which bond proceeds were put on an escrow account to finance such transactions. Following further work on the potential acquisitions, the Issuer decided to not follow through with two of the targets. Instead, the Issuer has engaged in discussions with the owners of a New Zealand-based target which it intends to acquire in the coming months.

## 1.2 Proposed measures

### Waiver

The Issuer requests that the Bondholders:

- (a) waive any potential Default and/or Event of Default which may have occurred, and will be remedied by way of repayments on the working capital facilities with proceeds from the issuance of subordinated bonds by the Issuer on or about 6 September 2021, relating to excess debt incurrence under any working capital facilities in respect of (i) the definition "Super Senior Headroom" in the Issuer Intercreditor Agreement and (ii) paragraph (p) of the definition of Permitted Debt in the Terms and Conditions and the terms and conditions for the Existing Bonds;
- (b) waive any potential Default and/or Event of Default which has occurred as at the date of this Notice in respect of Clause 11.4 of the Issuer Intercreditor Agreement relating to excess debt incurrence under any working capital facilities; and
- (c) waive the requirement under the Terms and Condition that an Incurrence Test be met prior to a Subsequent Bond Issue in a maximum aggregate amount of EUR 75,000,000 on one occasion only, provided that such Subsequent Bond Issue is completed on or before 30 October 2021,

the "**Waiver**".

The Waiver will be conditional upon the satisfaction of the Condition (as defined below).

### Amendments to the Terms and Conditions

With reference to what has been described above, the Issuer has identified the need to, amongst other things, amend the Terms and Conditions to:

1. enable the Group to utilize certain cash currently held on escrow for other acquisitions than those communicated in conjunction with the incurrence of the applicable debt;
2. amend the calculation in paragraph (p) of the definition of Permitted Debt in the Terms and Conditions so that, *inter alia*, the calculation is based on all of the Group's outstanding bonds; and
3. enable the exchange of Subordinated Debt for other types of Subordinated Debt (e.g. repayment of the PIK notes with equity at a later point in time).

The Issuer proposes that the Terms and Conditions are amended as follows:

- (d) paragraph (p) of the definition of "Permitted Debt" in the Terms and Conditions is amended as follows (new wording is underlined and blue):

incurred by (A) the Issuer or its direct or indirect Subsidiaries under one or several working capital facilities, which, if secured, is subject to the Issuer Intercreditor Agreement or (B) US HoldCo or its direct or indirect Subsidiaries under one or several working capital facilities, which, if secured, is subject to the US HoldCo Intercreditor Agreement, provided for the general corporate purposes of the Group in a maximum aggregate amount being the higher of (i) EUR 35,000,000 and (ii) an amount equal to ~~15-17.5~~ per cent. of the aggregate of the ~~Total Nominal Amount~~ outstanding Nominal Amount under the Bonds, the aggregate Nominal Amount (as defined in the Terms and Conditions with respect to the Existing Bonds) of the Existing Bonds and the aggregate outstanding amount under any Market Loans (excluding any Subordinated Loans) and the total commitment of any Working Capital Facilities; and

The proposed amendment to the Terms and Conditions referred to in paragraph (a) is hereinafter referred to as the "**T&C Amendment**".

Other than the T&C Amendment, all of the other proposed amendments to the Terms and Conditions are set out in mark-up in Schedule 3.

### Proceeds standing on the Proceeds Account

There are currently Net Proceeds of the Initial Bond Issue standing to the credit of the Proceeds Account in an amount of EUR 49,487,701.40 that are reserved for certain pre-named Eligible Acquisitions. In order to utilise the Net Proceeds in the most appropriate way the Issuer requests that the Bondholder allow the EUR 49,487,701.40 standing on the Proceeds Account to be applied towards the acquisition of Horizon International Holdings Ltd (the "**Bluebird Acquisition**") and that the remaining Net Proceeds standing to the credit of the Proceeds Account following the completion of the Bluebird Acquisition (if any) may be applied towards general corporate purposes, including investments and acquisitions (the "**Proceeds Account Waiver**"). The disbursement of the Net Proceeds from the Proceeds Account shall in respect of the Bluebird Acquisition be subject to the delivery of all

conditions precedent for Eligible Acquisitions set out in clause 4.1(c) of the Terms and Conditions.

#### Amendments to the Issuer Intercreditor Agreement

The Issuer proposes that the Issuer Intercreditor Agreement is amended as follows:

- (e) the definition of "**Super Senior Headroom**" in the Issuer Intercreditor Agreement is amended as follows (new wording is underlined and blue):

"**Super Senior Headroom**" means the higher of (i) EUR 35,000,000 and (ii) an amount equal to 17.5 ~~15~~ per cent. of the aggregate of the amount outstanding under the Bonds, the New Debt and the total commitment of any Working Capital Facilities (in relation to any ancillary facility under the Super Senior RCF (including in the form of an overdraft facility) shall for the purpose of calculating the Super Senior Headroom be deemed to have been drawn in the full amount of such ancillary facility notwithstanding the amount actually outstanding under such ancillary facility).

The proposed amendment to the Issuer Intercreditor Agreement referred to in paragraph (a) is hereinafter referred to as the "**ICA Amendment**".

All capitalised terms used in paragraph (a) above shall have the meanings assigned to them in the Issuer Intercreditor Agreement.

## 2. Request

The Issuer is of the view that the proposed measures in Clause 1.2 (*Proposed measures*) above are in the interest of Bondholders as they will allow the Group to take advantage of the unprecedented organic growth opportunities arising from the global economic recovery as well as continued effects from the ongoing Covid-19 pandemic.

In order to achieve the abovementioned objectives, the Issuer hereby requests that the Bondholders (i) grant the Waiver, subject to the satisfaction of the Condition, (ii) approve to amend the Terms and Conditions in accordance with the T&C Amendment (subject to the satisfaction of the Condition) and the mark-up set out in Schedule 3, (iii) approve and grant the Proceeds Account Waiver and (iv) approve to amend the Issuer Intercreditor Agreement in accordance with the ICA Amendment, subject to the satisfaction of the Condition (the "**Request**").

If the Request is approved in the Written Procedure, the Bondholders give the Agent the power to enter into all agreements and take all actions that the Agent deems necessary in order to implement the Request.

## 3. Condition

The Waiver, T&C Amendment and ICA Amendment shall be subject to the Issuer successfully raising a minimum of USD 35,000,000 in equity and EUR 40,000,000 in subordinated debt (the "**Equity Investment**") no later than 30 October 2021 and the Issuer providing evidence of the completed Equity Investment to the satisfaction of the Agent (the "**Condition**").

#### **4. Consent**

We kindly ask the Bondholders to confirm that the Bondholders agree to the Request.

#### **5. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

##### **5.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 17:00 (CEST), 27 September 2021. Votes received thereafter may be disregarded.

##### **5.2 Decision procedure**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired. The Issuer and the Agent shall, in order to implement and effectuate the amendments, enter into amended and restated Terms and Conditions.

Information about the decision taken under the Written Procedure will: (i) be sent by notice to the Bondholders and (ii) be published on the websites of (a) the Issuer and (b) the Agent.

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

##### **5.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (6 September 2021) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

##### **5.4 Bonds registered with a nominee**

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee 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 (Schedule 2) 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 debt register as bondholder of the Securities Account, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as a Bondholder of 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 Agent 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, another Group Company or an Affiliate do not entitle to any voting rights.

### **5.5 Quorum**

To approve the Request, Bondholders representing at least twenty (20) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent 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.

### **5.6 Majority**

At least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Request.

### **5.7 Address for sending replies**

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Bonds are held in custody other than the CSD, by regular mail, scanned copy by email, or by courier to:

#### **By regular mail:**

Intertrust (Sweden) AB  
Attn: Written Procedure SGL International A/S  
P.O. Box 16285  
103 25 Stockholm

#### **By courier:**

Intertrust (Sweden) AB  
Attn: Written Procedure SGL International A/S  
Sveavägen 9, 10th floor  
111 57 Stockholm

**By email:**

E-mail: trustee@intertrustgroup.com

**6. FURTHER INFORMATION**

For questions to the Issuer regarding the request, please contact Claes Brønsgaard Pedersen, CFO, at cbro@scangl.com or +45 3248 0200.

The Issuer has retained Pareto Securities AB as financial advisor (the "**Advisor**"). Bondholders may contact the Advisor for further information:

Markus Wirenhammar, mw@paretosec.com or +46 70 872 51 86

The Advisor acts solely for the Issuer and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisor with respect to the Issuer, and the Advisor expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information herein).

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**Stockholm, 1 September 2021**

**INTERTRUST (SWEDEN) AB**

As Agent

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation
<b>Schedule 3</b>	Proposed Amended Terms and Conditions



**SCHEDULE 1**

**VOTING FORM**

**For the Written Procedure initiated on 1 September 2021 for the up to EUR 350,000,000 senior secured Bonds 2021/2025 with ISIN: SE0015810759 (the "Bonds") issued by SGL International A/S (the "Issuer").**

**The Issuer requests the Bondholders to approve the Request set out in the notice for the Written Procedure.**

**The Trustee is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request is approved.**

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**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 Request.

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 16(h) of the Terms and Conditions with respect to the Request:

**Confirmed**       **Not confirmed**

Signature

\_\_\_\_\_  
Name in print:

Contact information

Email:

Tel:

**NOTE: Please attach a power of attorney/authorisation if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorised nominee. The voting form shall be signed by an authorised signatory. A certified copy of a registration certificate or a corresponding authorisation 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.**

**SCHEDULE 2**

**POWER OF ATTORNEY/AUTHORISATION/PROOF OF OWNERSHIP<sup>1</sup>**

**Written Procedure initiated on 1 September 2021 for the up to EUR 350,000,000 Senior Secured Bonds 2021/2025 with ISIN: SE0015810759 (the "Bonds") issued by SGL International A/S (the "Issuer") on 8 April 2021.**

Authorised Person<sup>2</sup>: \_\_\_\_\_

Nominal Amount<sup>3</sup>: \_\_\_\_\_

Grantor of authority<sup>4</sup>: \_\_\_\_\_

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

We represent an aggregate Nominal Amount of<sup>5</sup>: \_\_\_\_\_

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

Registered as authorised nominee on a Securities Account

Registered as direct registered owner on a Securities Account

Other intermediary and hold the Bonds through<sup>6</sup> \_\_\_\_\_

Date:

Signature

\_\_\_\_\_

<sup>1</sup> 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 authorised nominee.

<sup>2</sup> Insert the name of the person/entity that should be authorised to vote.

<sup>3</sup> Insert the aggregate nominal amount the Authorised Person should be able to vote for.

<sup>4</sup> Insert the name of entity/person confirming the authority.

<sup>5</sup> The total Nominal Amount the undersigned represents

<sup>6</sup> Mark this option if the undersigned is not registered as authorised nominee or direct registered owner in the Securities Account kept by VPS. Please insert the name of the firm the undersigned holds the Bonds through.

**PROPOSED AMENDED TERMS AND CONDITIONS**

[Insertions are shown as underlined text in blue and deletions are shown as strikethrough text in red]

**1 DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

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"Permitted Security" means any Security:

- (a) granted under the Finance Documents and as granted under the finance documents of any other bonds that may be issued in compliance with these Terms and Conditions;

[---]

- (l) any Security created for the benefit of the financing providers in relation to a refinancing ~~in full of of the Bonds,~~ the Existing Bonds or of any other bonds that may be issued in compliance with these Terms and Conditions or the terms and conditions of the Existing Bonds, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds, the Existing Bonds or Bonds in full of any other bonds that may be issued in compliance with these Terms and Conditions or the terms and conditions of the Existing Bonds that are intended to be refinanced (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);

[---]

"Transaction Costs" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond Issue issuance and listing of Market Loans, (ii) ~~the listing of the Bonds,~~ (iii) any acquisition of another entity and (iv) an Equity Listing Event.

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**9 REDEMPTION AND REPURCHASE OF THE BONDS**

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**~~9.6 Mandatory redemption with funds standing on the Proceeds Account~~**

~~Any amount remaining on the Proceeds Account on the date falling 6 months from the First Issue Date shall be applied by the Issuer towards repayment of the Bonds on the date falling six (6) months and fifteen (15) days from the First Issue Date. The repayment per Bond shall be equal the repaid percentage of the Nominal Amount~~

~~to be repaid (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount of one (1) per cent. and (ii) accrued but unpaid interest on the repaid amount.~~

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### 13.2 Restricted Payments

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- (b) Notwithstanding 13.2(a) above, a Restricted Payment may be made:
- (i) if mandatory by law;
  - (ii) if made to the Issuer or a direct or indirect Subsidiary of the Issuer or the US HoldCo or a direct or indirect Subsidiary of the US HoldCo but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer or US HoldCo, is made on a pro rata basis; ~~and/or~~
  - (iii) to refinance a Subordinated Loan in full (including any accrued interest) by way of an equity injection and/or with subordinated debt; and/or
  - (iv) ~~(iii)~~ following an Equity Listing Event by the Issuer and a full repayment in accordance with the Equity Claw Back if:

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### 13.14 Holding Company

The Issuer and US HoldCo shall not trade, carry on any business, own any material assets or incur any liabilities, except for (i) the provision of administrative, managerial, legal, treasury, information, technology and accounting services to other Group Companies of a type customarily provided by a holding company (including retaining and the secondment of employees for such purpose), (ii) acquisition and ownership of shares in any company, (iii) intra-group debit and credit balances and debit and credit balances held in bank accounts, (iv) the payment of professional fees and administrative costs, (v) liabilities incurred in connection with Subordinated Loans, the Bonds, the Existing Bonds or of any other bonds that may be issued, or the incurrence of any other indebtedness, in each case, in compliance with these Terms and Conditions, (vi) trading, carrying on any business, owning any material assets or incurring any liabilities as permitted by the Finance Documents and under the Working Capital Facilities and (vii) liability to pay tax.

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