

**NOTICE TO A WRITTEN PROCEDURE**

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

Stockholm, 20 April 2020

**To the bondholders in:**

**ISIN: SE0013101219– SGL TransGroup International A/S up to EUR 315,000,000 Senior Secured Bonds 2019/2024 (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 20 April 2020 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 4.3 (*Voting rights and authorisation*).**

**Key information:**

Record Date for being eligible to vote:	24 April 2020
Deadline for voting:	17:00 15 May 2020
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

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 SE0013101219 issued by **SGL TransGroup International A/S** (the "**Issuer**"), 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 15 May 2020 either by mail, courier or email to the Agent using the contact details set out in Clause 4.7 (*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 24 April 2020 (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 and COVID-19 impact**

The Group serves a diversified mix of medium-sized businesses, large blue-chip corporates, as well as non-governmental organisations ("**NGOs**"). To help manage its working capital requirements the Group relies on working capital facilities currently provided by Jyske Bank and Bank of America (the "**WCF**"). Under the terms and conditions of the Bonds, the Group's gross drawdown under the WCF is restricted to the higher of (i) EUR 35 million and (ii) 15.0 per cent of the aggregate of the total outstanding nominal amount of the Bonds and the total commitment of any WCF.

The COVID-19 pandemic has already had, and is expected to continue to have, a significant impact on global trade flows, in particular between Europe, the US and Asia, which represent the Group's principal markets. As a consequence, over the coming months the Group expects to see disruption on air freight and in isolated cases ocean freight and road freight. The differentiated mix of the Group's customers may allow for disruptions in certain verticals to be offset by recovery in part, or in full, in other verticals.

On the other hand, the pandemic has driven a surge in global demand for medical and hygiene equipment such as face masks, hand sterilizer and ventilators, which in turn has led to higher volumes from the Group's NGO customers. As an example, the Group is currently in the final phases of negotiating a major contract with one of its

large NGO customers. Management expects this contract, if awarded, to have a material positive impact on revenues and EBITDA over the coming 12 months. Whilst these bodies are highly credit-worthy customers, with zero bad debts historically, they require longer payment terms which in turn drives higher working capital as the Group must pay suppliers of transportation services far in advance of receiving customer payments. Furthermore, available space and capacity is at a premium and vendors are putting pressure on the Group for shorter payment terms while many carriers are operating less than their entire fleets through this period. Finally, as and when the pandemic recedes and global trade flows pick up, the Group expects a return in demand from many corporate customers, which will result in a one-time, short-term working capital demand peak.

A range of measures have already been implemented, and the Group is continuing to explore additional measures, to address the overall reduction in volumes resulting from COVID-19, including termination of staff, temporary staff layoffs, renegotiation of property leases and application for support under government facilities where eligible. Moreover, specific measures have been taken to manage the Group's working capital in light of the higher demand from NGOs, such as renegotiation of credit terms with major customers and tightening of collection measures to reduce DSO. Despite the aforementioned initiatives, management expects that, for the reasons outlined above, the Group's near-term working capital requirements may exceed the levels currently permitted by the Bond terms unless it were to turn down attractive opportunities from long-time customers including key NGOs.

The pressure on working capital is exacerbated by the fact that the Group moves significant funds between its various local entities to enable them to pay vendors. Due to time lags, there is a discrepancy between recorded and actual cash positions. This delta is manageable under normal circumstances, but during current conditions management of this movement of funds requires increased focus which could be better directed towards driving business and optimising customer outcomes.

## 1.2 Proposed measure

The outlook for the COVID-19 pandemic is currently unclear and there is limited visibility as to when the broader economy, and hence trade activity throughout the Group, will normalise. The Issuer and the Sponsor are thus seeking to proactively address the expected increased working capital needs through a constructive dialogue with the Bondholders. At the current time, management does not expect that the Group will require additional funding through long term debt (for the avoidance of doubt excluding revolving and working capital facilities) or encounter difficulties in meeting its obligations under the Bonds or the WCF. However, to successfully pursue certain opportunities available to the Group despite a short-term period of heightened working capital requirements, the Issuer proposes that the Bond terms are amended so that drawn amounts under the WCF shall be measured on a net rather than gross basis. Hence, the drawn amount under the WCF, which shall remain subject to the restrictions set out above, shall be calculated as follows:

- (A) actual drawn amount; *less*
- (B) the lower of (i) Cash and Cash Equivalents of the Group and (ii) outstanding receivables from Supranational Organisations.

The Issuer proposes that the amended definition be valid for a period of 12 months from the date of the waiver coming into effect, and that the waiver period can be terminated prematurely at the Issuer's discretion (the "**Waiver Period**").

The Issuer shall, for the avoidance of doubt, during the Waiver Period, inform the Agent if at any time the actual drawn amount under any Working Capital Facilities less the lower of (i) Cash and Cash Equivalents of the Group and (ii) outstanding

receivables from Supranational Organisations exceeds the higher of (A) EUR 35,000,000 and (B) an amount equal to 15 per cent. of the aggregate of the Total Nominal Amount and the total commitment of any Working Capital Facilities. Unless remedied within twenty (20) Business Days, such event will constitute an Event of Default.

The Issuer is of the view that the proposed amendment is in the interest of Bondholders' as it will allow the Group to manage successfully through a period of unprecedented global turbulence and uncertainty whilst continuing to serve its customers needs, pursue attractive new business opportunities, and meet its obligations to lenders.

The Issuer proposes that the ability to carry out subsequent bond issues under the Bonds is suspended for the duration of the Waiver Period and that no Management Fees be paid during the Waiver Period (but may continue to accrue during the Waiver Period).

## 2. Amendment of the Terms and Conditions

Considering the background and rationales set out above, the Issuer kindly requests that the following amendments are made to the Terms and Conditions:

- (a) A new definition "**Waiver Period**" shall be included in the Terms and Conditions which reads:

"means the period from [*date of amendment agreement to be included*] to the earlier of (i) [*date falling one year after the date of amendment agreement to be included*] and (ii) the date when the Issuer notifies the Agent in writing that the Waiver Period shall end."

- (b) item (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 per cent. of the aggregate of the Total Nominal Amount and the total commitment of any Working Capital Facilities (provided that, during the Waiver Period, an amount equivalent to the lower of (A) Cash and Cash Equivalents of the Group and (B) outstanding receivables from Supranational Organisations shall be deducted from the actual drawn amount under the Working Capital Facilities when making this determination); and"

- (c) Clause 2(e) in the Terms and Conditions is amended as follows (new wording is underlined and blue):

Provided that the Incurrence Test is met and provided that no Subsequent Bond Issues may be carried out during the Waiver Period, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the

Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 315,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.

- (d) A new paragraph (j) is included in Clause 11.1 in the Terms and Conditions which reads:

The Issuer shall, for the avoidance of doubt, during the Waiver Period, inform the Agent if at any time the actual drawn amount under any Working Capital Facilities less the lower of (i) Cash and Cash Equivalents of the Group and (ii) outstanding receivables from Supranational Organisations exceeds the higher of (A) EUR 35,000,000 and (B) an amount equal to 15 per cent. of the aggregate of the Total Nominal Amount and the total commitment of any Working Capital Facilities, such event to constitute an Event of Default unless remedied within twenty (20) Business Days.

- (e) Clause 13.2(c) in the Terms and Conditions is amended as follows (new wording is underlined and blue):

"Notwithstanding the above, the Issuer may make payments to the Main Shareholders (or an Affiliate of the Main Shareholders) covering, *inter alia*, annual monitoring fees and administrative expenses, in a maximum aggregate amount (the "Maximum Amount") not exceeding the lower of (i) EUR 1,750,000 and (ii) 5 per cent. of EBITDA of the Group for the Relevant Period covered by the most recent Financial Report, for each calendar year provided that (A) no Event of Default is continuing or would occur due to such Restricted Payment and (B) no such payments may be made during the Waiver Period provided that any part of the Maximum Amount not used during the year 2020 may be used during the year 2021 after expiry of the Waiver Period."

Furthermore, the Issuer kindly requests that 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 15 per cent. of the aggregate of the amount outstanding under the Bonds 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) provided that, during the Waiver Period (as defined in the Terms and Conditions), an amount equivalent to the lower of (A) Cash and Cash Equivalents of the Group and (B) outstanding receivables from Supranational Organisations shall be deducted from the actual drawn amount under the Working Capital Facilities when making this determination.

The amendments above shall be referred to as 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. Consent**

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

### **4. Written Procedure**

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

#### **4.1 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), 15 May 2020. Votes received thereafter may be disregarded.

#### **4.2 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.

#### **4.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (24 April 2020) 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.

#### **4.4 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.

#### **4.5 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.

#### **4.6 Majority**

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

#### **4.7 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 TransGroup International A/S  
P.O. Box 16285  
103 25 Stockholm

**By courier:**

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

**By email:**

E-mail: trustee@intertrustgroup.com

## 5. FURTHER INFORMATION

For questions to the Issuer regarding the request, please contact Claes Brønsgaard Pedersen, CFO, at [cbro@scangl.com](mailto: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](mailto: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, 20 April 2020**

**INTERTRUST (SWEDEN) AB**

As Agent

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation



**SCHEDULE 1**

**VOTING FORM**

**For the Written Procedure initiated on 20 April 2020 for the up to EUR 315,000,000 senior secured Bonds 2019/2024 with ISIN: SE0013101219 (the "Bonds") issued by SGL TransGroup 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.**

**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 20 April 2020 for the up to EUR 315,000,000 Senior Secured Bonds 2019/2024 with ISIN: SE0013101219 (the "Bonds") issued by SGL TransGroup International A/S (the "Issuer") on 4 November 2020.**

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.