

## MATURITY BUCKETS FOR THE NORSKE SKOGINDUSTRIER ASA ("NORSKE SKOG") AUCTION

### I. Limitation Dates<sup>1</sup>

2.5-year Maturity Bucket	20 December 2018
5-year Maturity Bucket	20 June 2021
7.5-year Maturity Bucket	20 December 2023

### II. Ranges of Scheduled Termination Dates for 2014 Transactions

It has been Resolved that an Auction will be held for Buckets 1, 2, 3 and 4. As such, any 2014 Transactions which are Buyer-exercised trades or Seller M(M)R Trades, in either case with a Scheduled Termination Date later than 29 December 2026 and earlier than 15 October 2033 will be subject to the Fallback Settlement Method unless one of the parties validly exercises the Movement Option. If the Buyer validly exercises the Movement Option, the relevant 2014 Transactions will be settled through the Auction for Bucket 3. If the Seller validly exercises the Movement Option, the relevant 2014 Transactions will be settled through the Auction for Bucket 4. Pursuant to the DC Resolution of 3 June 2016, the Movement Option Cut-off Date in respect of 2014 Transactions is Thursday 16 June 2016, but ISDA would encourage market participants intending to use the Movement Option to exercise it as soon as possible to avoid operational difficulties.

Maturity Buckets	Range of Scheduled Termination Dates	Permissible Deliverable Obligations	Auction to be held?
2.5-year Maturity Bucket	12 April 2016 – 20 December 2018 ( <i>Buyer exercise or Seller M(M)R Trades<sup>2</sup> (as defined in the Norske Skog Credit Derivatives Auction Settlement Terms) only</i> ) (" <b>Bucket 1</b> ")	Bond 1	Yes, combined Auction for both 2014 Transactions falling in this maturity bucket and any Updated 2003 Transactions falling in Bucket 1 (as defined in Section III below) as the Deliverable Obligations are identical.
5-year Maturity Bucket	21 December 2018 – 20 June 2021 ( <i>Buyer exercise or Seller M(M)R Trades only</i> ) (" <b>Bucket 2</b> ")	Bonds 1, 2 and 3	Yes.
7.5-year Maturity Bucket	21 June 2021 – 29 December 2026* ( <i>Buyer exercise or Seller M(M)R Trades only</i> ) (" <b>Bucket 3</b> ")	Bond 1, 2, 3 and 4	Yes.
Seller Bucket	(i) Buyer exercise or Seller M(M)R Trades, in either case if the Scheduled Termination Date is on or after 15 October 2033,** PLUS (ii) all Seller exercise (except for Seller M(M)R	Bonds 1, 2, 3, 4, 5 and 6	Yes.

<sup>1</sup> The Limitation Dates are based on a Restructuring Date of 12 April 2016.

<sup>2</sup> NB. Seller M(M)R Trades are types of trade which provide that bucketing applies even if Seller triggers the CDS.

<b>Maturity Buckets</b>	<b>Range of Scheduled Termination Dates</b>	<b>Permissible Deliverable Obligations</b>	<b>Auction to be held?</b>
	Trades) (" <b>Bucket 4</b> ")		

\* Buyer-exercised trades with a Scheduled Termination Date up to 29 December 2026 will be included in the 7.5-year bucket, because there are no additional deliverables in the period from the relevant Limitation Date falling on 20 December 2023 up to 29 December 2026.

\*\* Buyer-exercised trades or Seller M(M)R Trades, in either case with a Scheduled Termination Date later than 29 December 2026 and earlier than 15 October 2033 will be subject to the Fallback Settlement Method unless, as noted above, one of the parties has validly exercised the Movement Option.

### **III. Ranges of Scheduled Termination Dates for Updated 2003 Transactions**

It has been Resolved that an Auction will be held for Bucket 1. As such, any Updated 2003 Transaction (a) which are Buyer-exercised trades or Seller M(M)R Trades, in either case with a Scheduled Termination Date later than 29 December 2026; or (b) which are Seller-exercised trades that are not Seller M(M)R Trades, will in each case be subject to the Fallback Settlement Method unless Buyer validly exercises the Movement Option in accordance with Section 12.17 of the Updated 2003 Definitions. If the Buyer validly exercises the Movement Option, the relevant Updated 2003 Transactions will be settled through the Auction for Bucket 1. The Movement Option Cut-off Date in respect of Updated 2003 Transactions is Thursday 16 June 2016, but ISDA would encourage market participants intending to use the Movement Option to exercise it as soon as possible to avoid operational difficulties.

<b>Maturity Buckets</b>	<b>Range of Scheduled Termination Dates</b>	<b>Deliverables</b>	<b>Auction to be held?</b>
2.5-year Maturity Bucket	12 April 2016 – 29 December 2026 ( <i>Buyer exercise or Seller M(M)R Trades (as defined in the Norske Skog Credit Derivatives Auction Settlement Terms) only</i> ) (" <b>Bucket 1</b> ")	Bond 1	Yes, combined Auction for both 2014 Transactions falling in this maturity bucket and any Updated 2003 Transactions falling in Bucket 1 (as defined in Section III below) as the Deliverable Obligations are identical.

As noted above, (i) Buyer-exercised trades or Seller M(M)R Trades, in either case with a Scheduled Termination Date later than 29 December 2026, and (ii) Seller-exercised trades that are not Seller M(M)R Trades will each be subject to the Fallback Settlement Method unless Buyer has validly exercised the Movement Option.