
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

Dated: December 15, 2021

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

**Strathvale House, 90 N Church Street
P.O. Box 309, Grand Cayman,
KY1-1104 Cayman Islands
(Address of Principal Executive Offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

NSM Loans

In December 2021, Navios Maritime Holdings Inc. (“Navios Holdings” or the “Company”) entered into amended and restated loan agreements with N Shipmanagement Acquisition Corp. and related companies (“NSM”) for an aggregate principal amount of \$262.6 million.

NSM Loan I: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing loan with NSM dated August 29, 2019 whereby NSM made available to the Company a secured term loan of up to \$127.6 million (the “NSM Loan I”), in two tranches: (i) the first tranche of \$48.6 million represents borrowings already made available and (ii) the second tranche of \$79.1 million represents new borrowings to be made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan I has a four-year term and bears interest at a rate of (i) 18% per annum until the Company’s 11.25% Senior Secured Notes (the “2022 Senior Secured Notes”) are repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture (as defined below) for the first 18 months (“PIK Interest”) and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower.

NSM Loan II: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM loan dated June 29, 2021 whereby NSM made available to the Company a secured term loan of up to \$135.0 million (the “NSM Loan II”) in two tranches (i) the first tranche of \$64.1 million represents outstanding borrowings already made available and (ii) the second tranche of \$70.9 million represents new borrowings to be made available, in exchange of the release by NSM of certain existing collateral. The NSM Loan II is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan II has a four year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower.

NSM will receive an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24.0 million in the form of a Convertible Debenture. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture.

Convertible Debenture: In December 2021, Navios Holdings entered into a convertible debenture with NSM covering certain payments under the NSM Loan I and II including the upfront fee of \$24.0 million, the accrued interest, and the prepayment fees (“Convertible Debenture”). The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings under an agreed mechanism. The Convertible Debenture has a term of five years and bears interest of 4% PIK payable at maturity, if not earlier converted.

Other Financing Agreements

In December 2021, Navios Holdings entered into two commercial bank facilities and four sale and leaseback agreements for an aggregate principal amount of \$287.0 million.

HCOB Loan: In connection with the refinancing of the 2022 Notes, in December 2021, Navios Holdings entered into a loan agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of up to \$105.0 million, for the financing of seven drybulk vessels. The loan bears interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. The loan is repayable in eight quarterly installments of \$4.5 million, beginning three months from the date of the initial drawdown, with a final balloon payment of \$69.0 million on the last repayment date.

CACIB/BNPP Loan: In connection with the refinancing of the 2022 Notes, in December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of up to \$105.0 million, for the financing of seven drybulk vessels. The loan bears interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan is repayable in four quarterly installments of \$6.5 million, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4.8 million with a final balloon payment of \$41.0 million on the last repayment date.

Sale & Leaseback Agreements: In December 2021, Navios Holdings entered into four sale and leaseback agreements of \$77.0 million in total, with unrelated third parties, in order to finance four dry bulk vessels. The agreements have an average term of seven years and a weighted average effective interest rate of 5.3%, with a repurchase obligation when declared of up to \$12.9 million in total.

The information contained in this Report shall not be incorporated by reference into any previous or future registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”), unless specifically identified therein as being incorporated by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer

Date: December 15, 2021

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Secured Loan Agreement, dated as of August 29, 2019,, as amended and restated on December 13, 2021, between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation.
99.2	Secured Loan Agreement, dated as of June 29, 2021, as amended and restated on December 13, 2021, between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation.
99.3	Convertible Debenture between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation.
99.4	Loan Agreement, dated December 14, 2021, among Kleinmar NV, White Narcissus Marine S.A., Faith Marine Ltd., Red Rose Shipping Corp., Jasmine Shipping Corporation and Moonstone Shipping Corporation, and Hamburg Commercial Bank AG.
99.5	Loan Agreement, dated December 13, 2021, among Ducale Marine Inc., Kleimar NV, Opal Shipping Corporation, Iris Corporation, Highbird Management Inc. and Corsair Shipping Ltd., and Credit Agricole Corporate and Investment Bank and BNP Paribas.
99.6	Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Shikar Ventures S.A. and Batanagar Shipping Corporation,, providing for the sale and leaseback of Navios Stellar.
99.7	Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Pueblo Holdings Ltd. and K.T.M. Corporation S.A., providing for the sale and leaseback of Navios Lumen.
99.8	Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Pharos Navigation S.A. and ASL Navigation S.A., providing for the sale and leaseback of Navios Phoenix.
99.9	Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Rumer Holding Ltd. and Juno Marine Corp., providing for the sale and leaseback of Navios Antares.

DATED 29 August 2019

**as amended and restated
on 13 December 2021**

NAVIOS MARITIME HOLDINGS INC.

as borrower

and

NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION

as lender

SECURED LOAN AGREEMENT

for a loan of up to USD127,632,195

in one or more advances

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THIS LOAN AGREEMENT (this “**Agreement**”) is dated 29 August 2019 and amended and restated on 13 December 2021 and made **BETWEEN**:

- (1) **NAVIOS MARITIME HOLDINGS INC.** as Borrower; and
- (2) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION** as Lender.

IT IS AGREED as follows:

1 PURPOSE AND DEFINITIONS

1.1 Purpose

This Agreement sets out the terms and conditions upon which the Lender agrees to make available to the Borrower a loan facility of USD127,632,195 (subject to adjustment as provided for in clause 2.2) in connection with the refinancing of certain obligations.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

“**Advance A**” means the amount of USD48,573,372 made available by the Lender to the Borrower prior to the Effective Date;

“**Advance**” means the amount of any advance made or to be made available by the Lender to the Borrower on or after the Effective Date in accordance with the terms of this Agreement in an aggregate amount of up to USD79,058,823;

“**Alpha Merit**” means Alpha Merit Corporation, a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Amending and Restating Agreement**” means that Amending and Restating Agreement supplemental to this Agreement, dated 13 December 2021, made by and between the Borrower and the Lender.

“**Applicable Premium**” means the excess of (A) the present value at such time of (i) 110% of the principal amount so prepaid, assuming payment thereof on the 18 month anniversary of the Effective Date plus (ii) all remaining interest payments due (calculated at a rate 18% per annum, if the prepayment occurs prior to the Second Secured Indenture Repayment Date; and 16.5% per annum if the prepayment occurs on or after Second the Secured Indenture

Repayment Date) on the amount so prepaid through and including the 18 month anniversary of the Effective Date (excluding any interest accrued to the date of such prepayment), computed using a discount rate equal to the Applicable Treasury Rate, plus 0.50%, over (B) the principal amount so prepaid on the date of prepayment;

“Applicable Treasury Rate” means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Banking Days’ prior to such date of prepayment (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such date of redemption to the 18 month anniversary of the Effective Date; *provided, however*, that if the period from the date of prepayment to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given having maturities as close as possible to the date that is the 18 month anniversary of the Effective Date;

“Banking Day” means a day on which dealings in deposits in USD are carried on in the London Interbank Eurocurrency Market and a day (other than Saturday or Sunday) on which banks are open for general business in London, Piraeus, Hamburg and New York City;

“Borrowed Money” means Indebtedness in respect of (i) money borrowed and debit balances at banks, (ii) any bond, note, loan stock, debenture or similar debt instrument, (iii) acceptance or documentary credit facilities, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred payments for assets or services acquired, (vi) finance leases and hire purchase contracts, (vii) swaps, forward exchange contracts, futures and other derivatives, (viii) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or of any of (ii) to (vii) above and (ix) guarantees in respect of Indebtedness of any person falling within any of (i) to (viii) above;

“Borrower” means Navios Maritime Holdings Inc. a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Certified Copy**” means in relation to any document delivered or issued by or on behalf of any company, a copy of such document certified as a true, complete and up to date copy of the original by any of the directors or officers for the time being of such company or by such company’s attorneys or solicitors;

“**Collateral**” means the collateral subject to the Security Documents other than the Guarantees and any other Encumbrance provided to the Lender from time to time as security for the Loan;

“**Commitment**” means, in relation to the Loan, the maximum amount which the Lender has agreed to lend to the Borrower under clause 2.1 as reduced by any relevant term of this Agreement;

“**Compliance Certificate**” means a certificate substantially in the form set out in schedule 3 signed by a director of the Borrower;

“**Convertible Debenture**” means the Convertible Debenture issued by the Borrower in favour of the Lender as of the date hereof;

“**Default**” means any Event of Default or any event or circumstance which with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof) would constitute an Event of Default;

“**Designated Shareholder**” means Mrs. Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary);

“**Dollars**” and “**USD**” mean the lawful currency of the USA and in respect of all payments to be made under any of the Loan Documents means funds which are for same day settlement in the New York Clearing House Interbank Payments System (or such other US dollar funds as may at the relevant time be customary for the settlement of international banking transactions denominated in US dollars);

“**Drawdown Date**” means, in respect of an Advance, any date being a Banking Day on which that Advance is, or is to be, made available;

“**Drawdown Notice**” means in relation to each Advance a notice substantially in the form of Schedule 4;

“**Effective Date**” has the meaning given thereto in the Amending and Restating Agreement;

“Encumbrance” means any mortgage, charge, pledge, lien, hypothecation, assignment, title retention, preferential right, option, trust arrangement or security interest or any other encumbrance, security or arrangement conferring howsoever a priority of payment in respect of any obligation of any person;

“Event of Default” means any of the events or circumstances listed in clause 10.1;

“Facility Period” means the period starting as of the date hereof and ending on such date as all payment obligations whatsoever of the Borrower under or pursuant to the Loan Documents whensoever arising, actual or contingent, have been irrevocably paid;

“FATCA” means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any associated regulations or other associated official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“FATCA Deduction” means a deduction or withholding from a payment under a Loan Document required by FATCA;

“FATCA Exempt Party” means a party that is entitled to receive payments free from any FATCA Deduction;

“Fee Letter” means the fee letter dated as of the Effective Date addressed by the Borrower to the Lender in respect of fees payable by the Borrower in relation to, among other things, this Agreement;

“Final Repayment Date” means the fourth anniversary of the Effective Date or such later date requested by the Borrower as the Lender may agree in its absolute discretion on which the Loan must be repaid in full;

“Financial Indebtedness” means, in relation to a person (the **“debtor”**), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, debenture, note or other security issued by the debtor (but excluding surety bonds, performance bonds or similar instruments except to the extent of a reimbursement obligation then outstanding);
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or;
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (e) if the references to the debtor referred to the other person;

“First Security Documents” means, together, the NMM Partnership Interests Pledge B, NMM Partnership Interests Pledge C and the Guarantees;

“GP LLC” means Navios GP LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“GP LLC Interests Pledge” means the pledge of all membership interests of and in GP LLC to be executed by the Borrower in favour of the Lender in such form as the Lender may require in its reasonable discretion;

“Group” means at any relevant time the Borrower and its Subsidiaries but not including any Subsidiary which is listed on any public stock exchange and any of its Subsidiaries;

“Group Member” means any member of the Group;

“Guarantee” means each of the guarantees granted by each of the Guarantors, in such form as the Lender may agree or require in its reasonable discretion (and which may be in the form of a joint and several guarantee), and in the plural means all of them;

“Guarantor” means each of the companies listed in Schedule 1 and in the plural means all of them;

“Indebtedness” means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money (but excluding surety bonds, performance bonds or similar instruments except to the extent of a reimbursement obligation then outstanding);

“Latest Accounts” means, in respect of any financial year of the Borrower, the latest financial statements required to be prepared pursuant to clause 8.1.6;

“Legal Reservations” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) any general principles, reservations or qualifications, in each case as to matters of law as set out in any legal opinion;
- (d) the principle that any additional interest imposed under any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (e) the principle that, in certain circumstances, security granted by way of fixed charge may be characterised as a floating charge or that security purported to be constituted by way of an assignment may be recharacterised as a charge;
- (f) the principle that the courts of England may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and
- (g) similar principles, rights and defences under the laws of any Pertinent Jurisdiction;

“Lender” means Navios Shipmanagement Holdings Corporation, a corporation incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“Loan” means the principal amount borrowed by the Borrower under this Agreement or (as the context may require) the principal amount owing to the Lender under this Agreement at any relevant time;

“Loan Documents” means this Agreement, the Convertible Debenture, the Amending and Restating Agreement and the Security Documents;

“Material Adverse Effect” means, a material adverse effect on:

- (a) the business, assets or financial condition of the Group (taken as a whole); or
- (b) the ability of the Borrower to perform its obligations under the Loan Documents; or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of, any Encumbrance granted or purporting to be granted pursuant to any of the Security Documents;

“Navios Logistics” means Navios South American Logistics Inc., a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.

“Navios Logistics Shares Pledge” means the pledge of the shares of and in Navios Logistics required to be executed hereunder by the Navios Logistics Shareholder in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“Navios Logistics Shareholder” means Navios Corporation a corporation organised and existing under the laws of the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“New Facility Agreements” has the meaning given thereto in the Amending and Restating Agreement;

“NMM” means Navios Maritime Partners L.P. a limited partnership organised and existing under the laws of the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“NMM Partnership Interests Pledge A” means the first priority pledge of 1,070,491 common units of NMM required to be executed hereunder by Alpha Merit and GP LLC in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“NMM Partnership Interests Pledge B” means the first priority pledge of 2,070,216 common units of NMM required to be executed hereunder by Alpha Merit, and the Borrower in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“NMM Partnership Interests Pledge C” means a first priority pledge of 1,905 common units of NMM required to be executed hereunder by Alpha Merit in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“Permitted Encumbrance” means (i) any Encumbrance created pursuant to or expressly permitted by the Loan Documents or otherwise permitted by the Lender, (ii) any Encumbrance permitted by the terms of the New Facility Agreements, (iii) any lien arising by the operation of law, (iv) any Encumbrance existing as at the Effective Date in respect of any Financial Indebtedness, (v) any Encumbrance securing Financial Indebtedness permitted under clause 8.2.3, and (vi) such other Encumbrances as the Lender may consent to for the purposes of this definition;

“Perfection Requirements” means the making or procuring of appropriate registrations, filings, endorsements, notarisations, stampings and/or notifications of the Security Documents and/or the security expressed to be created under the Security Documents determined by the legal advisers to the Lender to be necessary in any Pertinent Jurisdiction for the enforceability or production in evidence of the relevant Security Document to the extent such matters are complied with within any timeframe specified by law or the relevant Security Document;

“Pertinent Jurisdiction” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets which are secured under the Security Documents;

“Proceedings” means any litigation, arbitration, legal action or complaint or judicial, quasi-judicial or administrative proceedings whatsoever arising or instigated by anyone in any court, tribunal, public office or other forum whatsoever and wheresoever (including, without limitation, any action for provisional or permanent attachment of any thing or for injunctive remedies or interim relief and any action instigated on an ex parte basis);

“Prohibited Person” means a person that is:

- (d) listed on, or owned or controlled by a person listed on any Sanctions List;
- (e) permanently located, organised or resident in, a country or territory that is the target of country-wide Sanctions; or
- (f) otherwise a target of Sanctions.

“**Register**” has the meaning specified in clause 14.3

“**Required Authorisation**” means any authorisation, consent, declaration, licence, permit, exemption, approval or other document, whether imposed by or arising in connection with any law, regulation, custom, contract, security or otherwise howsoever which must be obtained at any time from any person, government entity or central bank or other self-regulating or supra-national authority in order to enable the Borrower lawfully to draw the Loan and/or to enable any Security Party lawfully and continuously to continue its corporate existence and/or perform all its obligations whatsoever whensoever arising under the Loan Documents and/or grant security under the Security Documents and/or to ensure the continuous validity and enforceability thereof;

“**Sanctions**” means any economic or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

- (g) the United States government;
- (h) the United Nations;
- (i) the European Union or any of its Member States;
- (j) the United Kingdom;
- (k) any country to which any Security Party is bound; or
- (l) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”), the United States Department of State, and Her Majesty’s Treasury (“**HMT**”) (together “**Sanctions Authorities**”).

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list issued by OFAC, the “Consolidated List of Financial Sanctions Targets and Investment Ban List” issued by HMT, or any similar list issued or maintained or made public by any of the Sanctions Authorities.

“**Second Security Documents**” means, together, the NMM Partnership Interests Pledge A, the GP LLC Interests Pledge and the Navios Logistics Shares Pledge, and any other documents designated by the Borrower and the Lender as a “**Second Security Document**”;

“Second Secured Indenture” means the Indenture dated as of 21 November 2017 for USD305,000,000 issued by the Borrower and Navios Maritime Finance II (US) Inc. for 11.25% Senior Secured Notes due on August 15, 2022, as amended and/or to be amended from time to time;

“Second Secured Indenture Repayment Date” means the date on which all amounts due and payable under the Second Secured Indenture are repaid;

“Security Documents” means, together, (i) the First Security Documents and (ii) following the Second Secured Indenture Repayment Date, the Second Security Documents, and any other documents designated by the Borrower and the Lender as “Security Documents” or any other documents as may have been or shall from time to time after the date of this Agreement be executed in favour of the Lender to guarantee and/or to govern and/or to secure payment of all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrower pursuant to this Agreement;

“Security Party” means the Borrower, the Guarantors, Alpha Merit, GP LLC, the Navios Logistics Shareholder or any other person who may at any time be a party to any of the Loan Documents (other than the Lender);

“Subsidiary” of a person means any company or entity directly or indirectly controlled by such person, and for this purpose “control” means either the ownership of more than fifty per cent (50%) of the voting share capital (or equivalent rights of ownership) of such company or entity;

“Taxes” includes all present and future income, corporation, capital or value-added taxes and all stamp and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties in respect thereto, if any, and charges, fees or other amounts made on or in respect thereof (and “Taxation” shall be construed accordingly); and

“Unlawfulness” means any event or circumstance which either is or, as the case may be, might in the reasonable opinion of the Lender become the subject of a notification by the Lender to the Borrower under clause 12.1.

1.3 Construction

In this Agreement, unless the context otherwise requires:

- 1.3.1 clause headings and the index are inserted for convenience of reference only and shall be ignored in the construction of this Agreement;
- 1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules;
- 1.3.3 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as duly amended and/or supplemented and/or novated;
- 1.3.4 references to a “regulation” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any government entity, central bank or any self-regulatory or other supra-national authority (including, without limitation, any regulation implementing or complying with (1) the Basel Framework set forth by the Basel Committee on Banking Supervision as in effect on the Effective Date (the “**Basel Framework**”) and (2) any other law or regulation which, at any time and from time to time, implements and/or amends and/or supplements and/or re-enacts and/or supersedes, whether in whole or in part, the Basel Framework or any predecessor or successor thereto published from time to time by the Basel Committee on Banking Supervision (including European Union Directive 2013/36/EU and European Union Regulation 575/2013), and whether such implementation, application or compliance is by a government entity, a lender or any company affiliated to it);
- 1.3.5 references to any person in or party to this Agreement shall include reference to such person’s lawful successors and assigns and references to the Lender shall also include a transferee;
- 1.3.6 words importing the plural shall include the singular and vice versa;
- 1.3.7 references to a time of day are, unless otherwise stated, to London time;
- 1.3.8 references to a person shall be construed as references to an individual, firm, company, corporation or unincorporated body of persons or any government entity;
- 1.3.9 references to a “guarantee” include references to an indemnity or any other kind of assurance whatsoever (including, without limitation, any kind of negotiable instrument, bill or note) against financial loss or other liability including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and “guaranteed” shall be construed accordingly;

- 1.3.10 references to any statute or other legislative provision are to be construed as references to any such statute or other legislative provision as the same may be re-enacted or modified or substituted by any subsequent statute or legislative provision (whether before or after the date hereof) and shall include any regulations, orders, instruments or other subordinate legislation issued or made under such statute or legislative provision;
- 1.3.11 a certificate by the Lender as to any amount due or calculation made or any matter whatsoever determined in connection with this Agreement shall be conclusive and binding on the Borrower except for manifest error;
- 1.3.12 if any document, term or other matter or thing is required to be approved, agreed or consented to by the Lender such approval, agreement or consent must be obtained in writing unless the contrary is stated; and
- 1.3.13 the words “other” and “otherwise” shall not be construed eiusdem generis with any foregoing words where a wider construction is possible.

1.4 **Contracts (Rights of Third Parties Act) 1999**

No part of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

2 **THE LENDER’S COMMITMENT, LOAN AND USE OF PROCEEDS**

2.1 **The Commitment**

In reliance upon each of the representations and warranties in clause 7, the Lender agrees to make available by way of loan to the Borrower on the terms of this Agreement the principal amount described in clause 2.2.

2.2 **Amount**

The principal amount of USD127,632,195 to be made available in:

- (a) Advance A in the amount of USD48,573,372 (which amount has been drawn prior to the Effective Date and the Borrower acknowledges receipt thereof); and
- (b) one or more Advances on or after the Effective Date in an aggregate amount of up to USD79,058,823.

2.3 **Advance**

On the terms and subject to the conditions of this Agreement, the Loan shall be advanced in one or more Advances, each on a Drawdown Date following receipt by the Lender from the Borrower of a Drawdown Notice not later than 10 a.m. London time on the Banking Day before such proposed Drawdown Date. A Drawdown Notice shall be effective on actual receipt by the Lender and, once given, shall be irrevocable.

2.4 **Availability**

Upon receipt of a Drawdown Notice complying with the terms of this Agreement, the Lender shall, subject to the provisions of clause 9, make an Advance available to the Borrower on the relevant Drawdown Date in payment to such account as the Borrower shall specify in the relevant Drawdown Notice, provided that such Drawdown Date must be on or before the Second Secured Indenture Repayment Date (or such later date as the Borrower and the Lender may agree).

2.5 **Use of Proceeds**

The Advances shall be applied to repay certain indebtedness and for general corporate purposes, and the Lender shall have no responsibility for the Borrower's use of the proceeds of the Loan and is not bound to monitor or verify the application of any amount borrowed pursuant to the terms of this Agreement.

3 **INTEREST**

3.1 **Interest rate**

3.1.1 The Loan shall bear interest (a) up to the Effective Date in respect of Advance A, 5% per annum and (b) from the Effective Date onwards in respect of Advance A and from the Drawdown Date in respect of any Advance (i) up to but not including the Second Secured Indenture Repayment Date, 15% per annum and thereafter (ii) 13.5% per annum, which shall, following the Effective Date, be payable (subject to Clause 3.1.3) in quarterly instalments in arrears commencing with an instalment for the whole Loan becoming due three months after the Drawdown Date in respect of the first Advance to be drawn down after the Effective Date and quarterly thereafter (each such date, an "**Interest Payment Date**").

3.1.2 Interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed during the period.

3.1.3 If the Borrower does not pay the amount of then due and owing interest in immediately available funds in accordance with Clause 3.1.1 on the Interest Payment Date on which it is due (it being agreed that no interest in respect of any period from the Effective Date to the 18 month anniversary of the Effective Date may be paid in cash or other funds) then such unpaid interest shall be automatically deemed to be paid by means of an increase as of the Interest Payment Date to the outstanding principal amount of the Convertible Debenture in an amount equal to such unpaid interest plus an amount equal to 3% per annum of the relevant part of the Loan and/or any part thereof for which such unpaid interest was due. The Borrower may pay all or a portion of any due interest in immediately available funds, but not with respect to any portion thereof accruing during the period from the Effective Date to the 18 month anniversary of the Effective Date.

3.2 **Default interest**

If the Lender fails to receive any sum whatsoever on its due date for payment under any of the Loan Documents (other than any sum expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture), the Borrower must pay interest on such sum on demand from the due date up to the date of actual payment (as well after as before judgment) at a rate of two (2.0) per cent per annum over the interest rate referred to in clause 3.1. Such interest shall be due and payable on demand, shall accrue daily and shall be compounded annually.

4 **REPAYMENT AND PREPAYMENT**

4.1 **Repayment**

Subject as otherwise provided in this Agreement, the Borrower must repay the Loan in quarterly instalments of USD5,000,000, falling due on Interest Payment Dates, with the first instalment falling due on the first Interest Payment Date in the third quarter of 2023 and subsequent instalments falling due on subsequent Interest Payment Dates thereafter and on the Final Repayment Date the Borrower must repay the whole of the Loan then outstanding.

4.2 **Voluntary prepayment**

The Borrower may prepay the Loan in whole or in part (being USD1,000,000 or any larger sum which is a whole multiple of USD1,000,000) at any time.

4.3 **Mandatory Prepayment**

The Borrower shall prepay the Loan:

- 4.3.1 in full upon the occurrence of a “Change of Control” as described in Clause 10.1.21;
- 4.3.2 in full upon any Indebtedness being incurred by the Borrower contrary to the provisions of clause 7.1.16 and the terms of this Agreement on the date such Indebtedness is incurred;
- 4.3.3 on the date falling 30 days after the sale or receipt of insurance proceeds from the total loss of any vessel owned by any Group Member in an amount equal to the net proceeds of such sale or total loss as follows: after payment of any amounts then due and payable to any mortgagee or assignee of insurance of such vessel, any remaining balance amount to be paid forthwith to the Lender in partial prepayment of the Loan, unless the Borrower has before that date provided to the Lender acceptable (to the Lender in its absolute discretion) security over an asset having a value the same as or greater than the sold or lost vessel; and
- 4.3.4 on the date falling 30 days after the sale of any Collateral (to the extent not covered by Clause 4.3.3) in an amount equal to the net proceeds of such sale, unless the Borrower has before that date provided to the Lender acceptable (to the Lender in its absolute discretion) security over an asset having a value the same as or greater than the sold asset.

4.4 **Amounts payable on prepayment**

Any prepayment of all or part of the Loan under this Agreement shall be made together with:

- 4.4.1 accrued interest on the amount to be prepaid to the date of such prepayment which shall be deemed to be paid at the applicable rate(s) set forth in Clause 3.1.3 by means of an increase as of such date to prepayment to the outstanding principal amount of the Convertible Debenture; except that Borrower may elect to pay any interest accrued with respect to any period from the 18 month anniversary of the Effective Time that was not previously deemed to have been paid by means of an increase to the outstanding principal amount of the Convertible Debenture in immediately available funds at the applicable rate(s) set forth in Clause 3.1.1;
- 4.4.2 any additional amount payable under clause 6.5;

- 4.4.3 in respect of any payment made under Clause 4.2 , 4.3 or 10.2, a prepayment fee due to, and earned by, the Lender in an amount of:
- (a) in respect of any prepayment made after the Effective Date but before the 18 month anniversary of the Effective Date, the Applicable Premium; and
 - (b) in respect of any prepayment made on or after the 18 month anniversary of the Effective Date but before the second anniversary of the Effective Date, 10% of the amount so prepaid; and
 - (c) in respect of any prepayment made on or after the second anniversary of the Effective Date but before the third anniversary of the Effective Date, 5% of the amount so prepaid;

which amount shall be deemed to be paid by means of an increase to the principal amount outstanding under the Convertible Debenture.

4.4.4 if of the whole Loan, all other sums payable by the Borrower to the Lender under this Agreement or any of the other Loan Documents.

4.5 **Notice of prepayment; reduction of repayment instalments**

4.5.1 No prepayment may be effected under clause 4.2 unless the Borrower shall have given the Lender at least three (3) Banking Days' prior written notice of its intention to make such prepayment. Every notice of prepayment shall be effective only on actual receipt by the Lender, shall be irrevocable, shall specify the amount to be prepaid and shall oblige the Borrower to make such prepayment on the date specified.

4.5.2 The Borrower may not prepay any part of the Loan except as expressly provided in this Agreement.

4.5.3 No amount prepaid may be reborrowed.

4.6 **Application of prepayments**

4.6.1 the Borrower may elect to apply any voluntary prepayments made pursuant to clause 4.2 towards reduction of any remaining instalment payments in respect of the Loan; and

4.6.2 any mandatory prepayments under Clause 4.3 (other than a mandatory prepayment in full) shall be applied against the remaining instalment payments in respect of the Loan on a pro rata basis.

5 FEES AND EXPENSES

5.1 Fees

The Borrower shall on the Effective Date pay to the Lender fees in accordance with the Fee Letter.

5.2 Expenses

The Borrower agrees to reimburse the Lender on a full indemnity basis on demand for all reasonable and documented expenses and/or disbursements whatsoever:

5.2.1 in connection howsoever with the negotiation, preparation, execution and, where relevant, registration of any contemplated or actual amendment, indulgence or the granting of any waiver or consent howsoever in connection with any of the Loan Documents; and

5.2.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretion under any of the Loan Documents or any amendment thereto or consideration of the Lender's rights thereunder or any action proposed or taken with interest at the rate referred to in clause 3.2 from the date falling 3 Banking Days after the date on which such expenses and/or disbursements were demanded by the Lender to the date of payment (as well after as before judgment).

5.3 Value Added Tax

All expenses payable under to this clause 5 must be paid with value added tax or any similar tax (if any) properly chargeable thereon. Any value added tax chargeable in respect of any services supplied by the Lender under this Agreement must, on delivery of the value added tax invoice, be paid in addition to any sum agreed to be paid hereunder.

5.4 Stamp and other duties

The Borrower must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Lender) imposed on or in connection with any Loan Documents or the Loan and agree to indemnify the Lender against any liability arising by reason of any delay or omission by the Borrower to pay such duties or taxes other than to the extent such duties or taxes arise as a result of the Lender transferring its Loan or Commitments under this Agreement.

6 **PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS**

6.1 **No set-off or counterclaim**

All payments to be made by the Borrower under any of the Loan Documents must be made in full, without any set-off or counterclaim whatsoever and, subject to clause 6.5, free and clear of any deductions or withholdings, in USD not later than 11 a.m. London time on the due date to such account of the Lender as the Lender may from time to time notify to the Borrower.

6.2 **Non-Banking Days**

When any payment under any of the Loan Documents would otherwise be due on a day which is not a Banking Day, the due date for payment shall be extended to the next following Banking Day.

6.3 **Calculations**

All interest and other payments of an annual nature under any of the Loan Documents shall accrue from day to day and be calculated on the basis of actual days elapsed and a 365 or 366 day year, as applicable.

6.4 **Currency of account**

If any sum due from the Borrower under any of the Loan Documents, or under any order or judgment given or made in relation thereto or for any other reason whatsoever, must be converted from the currency ("the first currency") in which the same is payable thereunder into another currency ("the second currency") for the purpose of (i) making or filing a claim or proof against the Borrower, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, the Borrower undertakes to indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Lender may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such

order, judgment, claim or proof. Any amount due from the Borrower under this clause 6.4 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Loan Documents and the term “rate of exchange” includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

6.5 Grossing-up for Taxes

If at any time the Borrower must make any deduction or withholding in respect of Taxes from any payment due under any of the Loan Documents, the sum due from the Borrower in respect of such payment must then be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been made and the Borrower agrees to indemnify the Lender on demand against any losses or costs certified by the Lender to have been incurred by it by reason of any failure of the Borrower to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrower must promptly deliver to the Lender any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid. . The Lender shall use commercially reasonable efforts (including the delivery of properly completed and executed Tax forms or documentation prescribed by applicable law) to reduce or eliminate any deduction or withholding for Taxes from any payment due under any of the Loan Documents and to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to this clause 6.5.

6.6 Loan account

The Lender agrees to maintain a control account showing the Loan and other sums owing by the Borrower under the Loan Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, absent prompt objection by the Borrower, be conclusive as to the amount from time to time owing by the Borrower under the Loan Documents.

6.7 Partial payments

If, on any date on which a payment is due to be made by the Borrower under any of the Loan Documents, the amount received by the Lender from the Borrower falls short of the total amount of the payment due to be made by the Borrower on such date then, without prejudice to any rights or remedies available to the Lender under any of the Loan Documents, the Lender must apply the amount actually received from the Borrower in or towards discharge of the obligations of the Borrower under the Loan Documents in the following order, notwithstanding any appropriation made, or purported to be made, by the Borrower:

- 6.7.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Lender under any of the Loan Documents;
- 6.7.2 secondly, in or towards payment of any expenses payable to the Lender under, or in relation to, the Loan Documents which remain unpaid;
- 6.7.3 thirdly, in or towards payment to the Lender of any accrued interest owing in respect of the Loan (other than accrued interest expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture) which shall have become due under any of the Loan Documents but remains unpaid;
- 6.7.4 fourthly, in or towards payment to the Lender of any principal in respect of the Loan which shall have become due but remains unpaid;
- 6.7.5 fifthly, in or towards payment to the Lender of any other sum which shall have become due under any of the Loan Documents but remains unpaid (and, if more than one such sum so remains unpaid, on a pro rata basis), other than any sum expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture.

The order of application set out in clauses 6.7.1 to 6.7.5 may be varied by the Lender without any reference to, or consent or approval from, the Borrower.

6.8 FATCA

6.8.1 Subject to Clause 6.8.3 below, each party shall, within ten (10) Banking Days of a reasonable request by another party:

- (a) confirm to that other party whether it is:
 - (i) a FATCA Exempt Party; or

- (ii) not a FATCA Exempt Party; and
- (b) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable pass-through percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.
- 6.8.2 If a party confirms to another party pursuant to Clause 6.8.1(a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- 6.8.3 Clause 6.8.1(a) above shall not oblige the Lender to do anything which would or might in its reasonable opinion constitute a breach of:
 - (a) any law or regulation;
 - (b) any policy of the Lender;
 - (c) any fiduciary duty; or
 - (d) any duty of confidentiality.
- 6.8.4 If the Borrower is required to make a FATCA Deduction, the Borrower shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA;
- 6.8.5 The Borrower shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Lender accordingly; and
- 6.8.6 Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Borrower shall deliver to the Lender evidence satisfactory to the Lender that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

7 **REPRESENTATIONS AND WARRANTIES**

7.1 **Continuing representations and warranties**

The Borrower represents and warrants to the Lender that:

7.1.1 Due incorporation

each of the Security Parties is duly incorporated and validly existing in good standing, under the laws of the Republic of the Marshall Islands as a corporation or limited liability company and has power to carry on its respective business as it is now being conducted and to own its property and other assets to which it has unencumbered legal and beneficial title except as disclosed to the Lender in writing;

7.1.2 Corporate power

each of the Security Parties has power to execute, deliver and perform its obligations and, as the case may be, to exercise its rights under the Loan Documents to which it is a party; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and on the execution of the Loan Documents performance of the same and no limitation on the powers of the Borrower to borrow or any other Security Party to howsoever incur liability and/or to provide or grant security will be exceeded as a result of borrowing any part of the Loan;

7.1.3 Binding obligations

subject to the Legal Reservations and the Perfection Requirements, the Loan Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties enforceable in accordance with their respective terms and admissible in evidence and the Security Documents will create first priority Encumbrances;

7.1.4 No conflict with other obligations

the execution and delivery of, the performance of its obligations under, and compliance with the provisions of, the Loan Documents by the relevant Security Parties will not (i) contravene in any material respect any existing applicable law, statute, rule or regulation or any judgment, decree or permit of any Pertinent Jurisdiction to which any Security Party or other member of the Group is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any Security Party or any other member of the Group is a party or is subject or by which it or any of its property is bound which is likely to have a Material Adverse Effect, (iii) contravene or conflict with any provision of the constitutional documents of any Security Party or (iv) result in the creation or imposition of, or oblige any Security Party to create, any Encumbrance (other than a Permitted Encumbrance) on any of the undertakings, assets, rights or revenues of any Security Party secured under the Security Documents;

7.1.5 No default

no Default has occurred which is continuing;

7.1.6 No litigation or judgments

no Proceedings are current, pending or, to the knowledge of the officers of the Borrower, threatened against any Security Party or any other Group Members or their assets which could have a Material Adverse Effect and there exist no judgments, orders, injunctions which would materially affect the obligations of any Security Party under the Loan Documents other than have been publicly disclosed by the Borrower prior to the Effective Date;

7.1.7 No filings required

it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Loan Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to the Loan Documents and each of the Loan Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;

7.1.8 Required Authorisations and legal compliance

all Required Authorisations have been obtained or effected and are in full force and effect and no Security Party has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to money laundering);

7.1.9 Choice of law

the choice of English law to govern the Loan Documents and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of the Security Parties associated therewith, are valid and binding;

7.1.10 No immunity

no Security Party nor any of their assets is entitled to immunity on the grounds of sovereignty or otherwise from any Proceedings whatsoever;

7.1.11 Financial statements correct and complete

the Latest Accounts of the Borrower in respect of the relevant financial year as delivered to the Lender present fairly and accurately the financial position of the Borrower for the financial year, ended on such date and, as at such date, the Borrower had no material liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements or notes thereto;

7.1.12 Pari passu

the obligations of the Security Parties under this Agreement are direct, general and unconditional obligations of the Security Parties and rank at least pari passu with all present and future unsubordinated Indebtedness of each Security Party except for obligations which are mandatorily preferred by operation of law and not by contract;

7.1.13 Information/ Material Adverse Effect

all written factual information, whatsoever provided by any Security Party to the Lender in connection with the negotiation and preparation of the Amending and Restating Agreement, or otherwise provided hereafter in relation to, or pursuant to this Agreement is true and accurate in all material respects and not misleading and the Borrower's public filings do or will not omit material facts and all reasonable enquiries have been made to verify the facts and statements contained therein as of such date and there has not occurred a Material Adverse Effect on any Security Party since such information was provided to the Lender;

7.1.14 Freedom from Encumbrances

save as otherwise disclosed in writing by the Borrower to the Lender on or prior to the date of this Agreement, no properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances;

7.1.15 Copies true and complete

the copies of the constitutional documents of the Security Parties delivered or to be delivered to the Lender pursuant to clause 9.1 are, or will when delivered be, true and complete copies; and there have been no amendments or variations thereof;

7.1.16 Indebtedness

no Security Party has incurred any Indebtedness other than as permitted under the Second Secured Indenture or under clause 8.2.3 or as otherwise disclosed to the Lender in writing or as disclosed in the Group's public filings;

7.1.17 Use of proceeds

the Borrower shall apply the Loan only for the purposes specified in clauses 1.1. and 2.5;

7.1.18 Filings

subject to any permissible extensions, the Borrower has filed all material tax and other fiscal returns required to be filed with any tax authority to which it is subject;

7.1.19 Office

the Borrower does not have an office in England;

7.1.20 Prohibited Persons, unlawful activity

- (a) none of the Group Members are a Prohibited Person; and
- (b) to the best of its knowledge, no title in any property or other assets subject to an Encumbrance created by a Loan Document has been obtained in breach of any existing applicable law, statute, rule or regulation;

7.1.21 Insolvency

none of the Security Parties is unable or has admitted inability to pay its debts as they fall due, has suspended making payments on any of its debts or has announced an intention to do so, is or has become insolvent; or, save as disclosed to the Lender prior to the Effective Date, or has suffered the declaration of a moratorium in respect of any of its Indebtedness;

7.1.22 Sanctions

no Security Party nor any director, officer, agent, employee of any Security Party or any person acting on behalf of any Security Party, is a Prohibited Person nor acts directly or indirectly on behalf of a Prohibited Person; and

7.2 Repetition of representations and warranties

On the Effective Date and on each Interest Payment Date, the Borrower shall be deemed to repeat the representations and warranties in clause 7.1 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day.

8 UNDERTAKINGS

8.1 General

The Borrower undertakes with the Lender that, from the Effective Date until the end of the Facility Period, it will:

8.1.1 Notice of Default and Proceedings

promptly inform (and any public filing of the Borrower containing the relevant information about the matters hereafter described shall constitute compliance with this covenant to inform) the Lender of (a) when required under the Second Secured Indenture, any Default (including the occurrence of any Event of Default under (and as defined in) the Second Secured Indenture, in which case the Borrower shall also provide to the Lender copies of all demands or notices made in connection therewith) and of any other circumstances or occurrence which might materially and adversely affect the ability of the Borrower to perform its obligations under any of the Loan Documents and (b) as soon as the same is instituted or formally threatened in writing, details of any Proceedings involving the Borrower which could have a Material Adverse Effect on the Borrower and will from time to time, if so reasonably requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no Default has occurred and is continuing and no such Proceedings are on foot or have been formally threatened in writing;

8.1.2 Authorisation

obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Lender, upon request, with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary under any applicable law for the continued due performance of all the obligations of the Security Parties under each of the Loan Documents;

8.1.3 Corporate Existence/Ownership

ensure that each Security Party maintains its corporate existence as a body corporate duly organised and validly existing and in good standing under the laws of the Pertinent Jurisdiction and ensure that the Borrower is owned and controlled, directly or through other companies, by the persons disclosed to the Lender prior to the date hereof;

8.1.4 Use of proceeds

use the Loan exclusively for the purposes specified in clauses 1.1 and 2.5; and

8.1.5 Pari passu

ensure that its obligations under this Agreement shall at all times rank at least pari passu with all its present and future unsecured and unsubordinated Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;

8.1.6 Financial statements

provide the Lender (or procure that is provided):

- (a) as soon as possible, but in no event later than 180 days after the end of each of its financial years, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Lender) consolidated balance sheet and profit and loss accounts of the Borrower (commencing with the financial year ending 31 December 2021) and public filing in respect of the Borrower shall constitute delivery;
- (b) as soon as possible, but in no event later than 90 days after the end of each of its 6-month period ending on 30 June of each financial year, commencing with the 6-month period ending on 30 June 2022, the Borrower's unaudited consolidated balance sheet and profit and loss accounts for that 6 month period certified as to their correctness by its chief financial officer;
- (c) prior to the start of each of its financial years, an annual forecast in respect of the Borrower;
- (d) details of any litigation, arbitration, administrative proceedings, Default and any other events or circumstances which are likely to have a Material Adverse Effect on the Borrower;

8.1.7 Compliance Certificates

deliver to the Lender on the dates on which the financial statements must be delivered to the Lender under clause 8.1.6(b), a Compliance Certificate and such other supporting information as the Lender may reasonably require;

8.1.8 Provision of further information

provide the Lender with such financial or other information concerning the Borrower, all vessels (including those under construction) owned, acquired, sold or managed by any Group Member, or any of its Subsidiaries, including, commitments, financial standing, operations and in relation to Borrowed Moneys, repayment of Borrowed Money, as the Lender may from time to time reasonably require;

8.1.9 Compliance with laws and payment of taxes

comply in all material respects with all relevant applicable laws, statutes, directives, decrees, rulings and analogous rules (including, but not limited to, those relating to Sanctions) and regulations (other than in the case of Sanctions) where failure to do so would be reasonably likely to have a Material Adverse Effect and pay all taxes for which it is liable as they fall due unless disputed in good faith;

8.1.10 Second Secured Indenture

prior to the Second Secured Indenture Repayment Date, comply with all of its obligations under the Second Secured Indenture;

8.1.11 Sanctions

will not and will use reasonable endeavours to ensure that no Group Member does, conduct or undertake any business:

(a) in breach of any Sanctions of:

- (i) the United Nations Security Council;
- (ii) the European Union;
- (iii) the United Kingdom;

(iv) the United States of America; or

(v) the Marshall Islands

as they apply to their members or nationals; or

- (b) in any trade, carriage of goods or business which is forbidden by the laws of the United Kingdom or the United States of America as they apply to their members or nationals, or any law applicable to the Borrower; or
- (c) in carrying illicit or prohibited goods; or
- (d) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (e) to the knowledge of the Borrower, by or for the benefit of a Prohibited Person;

8.1.12 Delivery of reports

deliver to the Lender upon request a copy of each report, circular, notice or like document issued by the Borrower to its shareholders or creditors generally;

8.2 Negative undertakings

The Borrower undertakes with the Lender that, from the Effective Date until the end of the Facility Period, it will not, without the prior written consent of the Lender:

8.2.1 Negative pledge

permit any Encumbrance (other than (i) a Permitted Encumbrance or (ii) as otherwise disclosed (x) in writing by the Borrower to the Lender or (y) in public filings, in each case of sub-clauses (x) and (y), on or prior to the date of this Agreement) to subsist, arise or be created or extended over any shares owned by the Borrower to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;

8.2.2 No merger or transfer

merge or consolidate with or into or directly or indirectly sell all or substantially all of its properties and assets to any other person (a “**successor person**”) unless: (i) the Borrower is the surviving person and (ii) immediately after giving effect to the transaction, no Event of Default (or any event which is, or after notice or passage of time or both would be, an Event of Default), shall have occurred and be continuing;

8.2.3 Financial Indebtedness

incur, and will not permit any Security Party to incur, any Financial Indebtedness without the Lender's consent other than (i) Financial Indebtedness under the New Facility Agreements and (ii) Financial Indebtedness incurred in the ordinary course of business with respect to performance bonds, surety, statutory, customs and appeal bonds, bid bonds, completion guarantees and similar obligations, including with respect to letters of credit supporting such obligations; provided that no Financial Indebtedness of Navios Logistics and its direct or indirect subsidiaries shall be prohibited hereunder;

8.2.4 Prohibited Persons

have, and shall use reasonable endeavours to procure that no Group Member will have, any course of dealings, directly or indirectly, with any Prohibited Person.

8.2.5 Dividends

declare or pay dividends except for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such declaration;

8.2.6 Investments and payments

make investments and payments except for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such investment.

8.3 **Second Secured Indenture**

On the date on which all sums due and payable under the Second Secured Indenture are paid and any encumbrance granted thereunder over any asset which is or is to be the subject of a Second Security Documents is released, the Borrower, without the need for a request therefor, shall deliver to the Lender the documentation referred to in Schedule 2.

8.4 **Second Secured Indenture**

Save as otherwise expressly provided in clause 8.2, any other terms or transactions or events permitted by the Second Secured Indenture shall be deemed to be permitted under this Agreement for the period up to, but not following the Second Secured Indenture Repayment Date.

9 **CONDITIONS**

9.1 **Advance: Documents and evidence**

The Lender's obligation to make available an Advance is subject to the following conditions precedent:

- 9.1.1 the representations and warranties contained in clause 7.1 being then true and correct (giving effect to any materiality qualifiers set forth therein) as if each was made with respect to the facts and circumstances existing at such time;
- 9.1.2 no Default shall have occurred and be continuing and no Default would result from the advance of that Advance; and
- 9.1.3 There has occurred nothing since the Effective Date which would have a Material Adverse Effect.

9.2 **Waiver of conditions precedent**

The conditions specified in this clause 9 are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part and with or without conditions.

10 **EVENTS OF DEFAULT**

10.1 **Events**

Each of the following events shall constitute an Event of Default (whether such event shall occur voluntarily or involuntarily or by operation of law or regulation or in connection with any judgment, decree or order of any court or other authority or otherwise, howsoever):

- 10.1.1 **Non-payment:** the Borrower fails to pay any sum payable by it under any of the Loan Documents at the time, in the currency and in the manner stipulated in the Loan Documents (and so that, for this purpose, sums payable (i) under clause 4.1 shall be treated as having been paid at the stipulated time if (a) received by the Lender within five (5) days of the dates therein referred to and (b) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within five (5) Banking Days of demand); or

- 10.1.2 **Breach of other obligations:** any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Loan Documents (other than those referred to in clause 10.1.1 above) unless such breach or omission, in the reasonable opinion of the Lender is capable of remedy, in which case the same shall constitute an Event of Default if it has not been remedied within thirty (30) Banking Days of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of the occurrence thereof; or
- 10.1.3 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Loan Documents or in any notice, certificate or statement referred to in or delivered under any of the Loan Documents is or proves to have been incorrect or misleading in any material respect unless the circumstances giving rise to the misrepresentation are in the reasonable opinion of the Lender capable of remedy and are remedied within thirty (30) Banking Days of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of, the occurrence thereof; or
- 10.1.4 **Cross-default:** any Indebtedness of the Borrower (which is not intra group or subordinated debt) in excess of USD10,000,000 is not paid when due (subject to applicable grace periods) or any Indebtedness of the Borrower becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by the Borrower of a voluntary right of prepayment), or any creditor of the Borrower becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to the Borrower relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned (unless the relevant creditor has granted to the Borrower a waiver in respect thereof); or
- 10.1.5 **Execution:** any uninsured judgment or order made against the Borrower in an amount in excess of USD30,000,000 is not stayed, appealed against or complied with within twenty (20) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of the Borrower and is not discharged within thirty (30) days; or

- 10.1.6 **Insolvency:** the Borrower is unable or admits inability to pay its debts as they fall due; suspends making payments on all or substantially all of its debts or announces an intention to do so; becomes insolvent; or suffers the declaration of a moratorium in respect of all or substantially all of its Indebtedness; or
- 10.1.7 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up the Borrower or an order is made or resolution passed for the dissolution or winding up of the Borrower; or
- 10.1.8 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party or an administration order is made in relation to any Security Party; or
- 10.1.9 **Appointment of receivers and managers:** any administrative or other receiver is appointed anywhere of any Security Party or any part of its assets and/or undertaking or any other steps are taken to enforce any Encumbrance over all or any part of the assets of any Security Party; or
- 10.1.10 **Compositions:** any corporate action, legal proceedings or other procedures are taken, by the Borrower or by any of its creditors with a view to the general readjustment or rescheduling of all or substantially all of its Indebtedness, or to proposing any kind of composition, compromise or arrangement involving such company and all or substantially all of its creditors; or
- 10.1.11 **Analogous proceedings:** there occurs, in relation to a Security Party, in any country or territory in which it carries on business or to the jurisdiction of whose courts any part of its assets is subject, any event which, in the reasonable opinion of the Lender, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.10 (inclusive) in respect of the Borrower or the Borrower otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or
- 10.1.12 **Cessation of business:** any Security Party suspends or ceases to carry on its business; or
- 10.1.13 **Seizure:** all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, the Borrower are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government entity; or

- 10.1.14 **Invalidity:** any of the Loan Documents shall, other than as a result of any act or omission of the Lender, at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Loan Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any Security Party shall deny that it has any, or any further, liability thereunder; or
- 10.1.15 **Unlawfulness:** any Unlawfulness occurs or it becomes impossible or unlawful at any time for any Security Party, to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Loan Documents or for the Lender to exercise the rights or any of them vested in it under any of the Loan Documents or otherwise; or
- 10.1.16 **Repudiation:** any Security Party repudiates any of the Security Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Security Documents; or
- 10.1.17 **Encumbrances enforceable:** any Encumbrance (other than Permitted Encumbrances) in respect of any of the property (or part thereof) which is the subject of any of the Security Documents becomes enforceable; or
- 10.1.18 **Material events:** any other event occurs or circumstance arises which, in the reasonable opinion of the Lender, is likely to have a Material Adverse Effect or, if such event or circumstance is capable of remedy it is not remedied within 15 Banking Days of the earlier of (i) the Lender notifying the Borrower of such event or (ii) the Borrower becoming aware of the same; or
- 10.1.19 **Litigation:** any Proceedings are current, pending or threatened against any of the Security Parties which could have a Material Adverse Effect; or
- 10.1.20 **Required Authorisations:** any Required Authorisation is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect or if any exchange control or other law or regulation shall exist which would make any transaction under the Loan Documents or the continuation thereof, unlawful or would prevent the performance by any Security Party of any term of any of the Loan Documents;
- 10.1.21 **Change of Control:** without the prior written consent of the Lender, the Designated Shareholders fail to, either individually or together, be the ultimate beneficial owner(s) of, or have ultimate control of the voting rights attaching to, at least 10 per cent of all of the outstanding voting shares in the Borrower (other than as a result of a sale by the Designated Shareholders) (a “**Change of Control**”);

10.1.22 **Money Laundering:** any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat “money laundering” as defined in Article 1 of the Directive (91/308 EEC) of the Council of the European Communities.

10.2 **Acceleration**

The Lender may, without prejudice to any other rights of the Lender, at any time after the occurrence of an Event of Default so long as the same is continuing by notice to the Borrower:

10.2.1 declare that the obligation of the Lender to make the Commitment available shall be terminated, whereupon the Commitment shall immediately be cancelled; and/or

10.2.2 declare that the Loan and all interest accrued and all other sums payable whensoever under the Loan Documents have become due and payable, whereupon the same shall, immediately or in otherwise accordance with the terms of such notice, become due and payable; and/or

10.2.3 exercise any or all of its rights, remedies, powers or discretions under the Loan Documents.

10.3 **Payments on Acceleration**

in respect of any payment made under or pursuant to Clause 10.2, Clause 4.4.3 applies.

10.4 **Demand basis**

If, under clause 10.2.2, the Lender has declared the Loan to be due and payable on demand, at any time thereafter the Lender may by further notice to the Borrower demand repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable accordingly with all interest accrued and all other sums payable under this Agreement.

11 **INDEMNITIES**

11.1 **General indemnity**

The Borrower agrees to indemnify the Lender on demand, without prejudice to any of the Lender’s other rights under any of the Loan Documents, against any loss (including loss of interest), cost or expense which the Lender shall certify as sustained at any time by it in connection with this Agreement, including (without limitation) any such loss, cost or expense

arising from any action, claim, suit or proceeding directly or indirectly related to this Agreement, the other Loan Documents or the Loan (excluding any default by the Lender determined by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or wilful misconduct of the Lender or (ii) a material breach of the Loan Documents by the Lender).

12 UNLAWFULNESS AND INCREASED COST MITIGATION

12.1 Unlawfulness

Regardless of any other provision of this Agreement, in the event that the Lender notifies the Borrower that by reason of:

- (a) the introduction of or any change in any applicable law or regulation or any change in the interpretation or application thereof; or
- (b) compliance by the Lender with any directive, request or requirement (whether or not having the force of law) of any central bank or government entity

it becomes unlawful or it is prohibited by or contrary to such directive request or requirement for the Lender to maintain or give effect to any of its obligations in connection howsoever with this Agreement then (i) the Commitment shall be reduced to zero and (ii) the Borrower shall be obliged to prepay the Loan either immediately or on a future date (specified in the Lender's notice) not being earlier than the latest date permitted by the relevant law, regulation, directive, request or requirement with interest and commitment commission accrued to the date of prepayment and all other sums payable whensoever by the Borrower under this Agreement.

12.2 Increased costs

If the Lender certifies to the Borrower that at any time the effect of any applicable law, regulation or regulatory requirements or the interpretation or application thereof or any change therein is to:

- 12.2.1 subject the Lender to Taxes or change the basis of Taxation of the Lender relating to any payment under any of the Loan Documents (other than Taxes or Taxation on the overall net income of the Lender imposed in the jurisdiction in which its principal or lending office under this Agreement is located); and/or

12.2.2 increase the cost to, or impose an additional cost on, the Lender in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or

12.2.3 reduce the amount payable or the effective return to the Lender under any of the Loan Documents; and/or

12.2.4 require the Lender to make a payment or forgo a return on or calculated by reference to any amount received or receivable by the Lender under any of the Loan Documents; and/or

then and in each such case (subject to clause 12.3) the Borrower must on demand either:

(a) pay to the Lender the amount which the Lender certifies (in a certificate setting forth the basis of the computation of such amount but not including any matters which the Lender or its holding company regards as confidential) is required to compensate the Lender for such liability to Taxes, cost, reduction, payment, forgone return or loss; or

(b) prepay the Loan, in respect of which prepayment the terms of clause 4.3 shall apply.

12.3 **Exception**

Nothing in clause 12.2 shall entitle the Lender to receive any amount relating to compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under clause 5.3, 5.4 or 6.5.

13 **SECURITY, SET-OFF AND MISCELLANEOUS**

13.1 **Application of moneys**

All moneys received by the Lender under or pursuant to any of the Loan Documents and expressed to be applicable in accordance with the provisions of this clause 13.1 shall be applied by the Lender as follows:

13.1.1 first in or toward payment of all unpaid expenses, sums which have been demanded by way of indemnity and expenses which may be owing to the Lender under any of the Loan Documents;

13.1.2 secondly in or towards payment of any arrears of interest owing in respect of the Loan or any part thereof;

13.1.3 thirdly in or towards repayment of the Loan (whether the same is due and payable or not);

13.1.4 fourthly in or towards payment to the Lender of any other sums which the Lender certifies are owing to it under any of the Loan Documents; and

13.1.5 fifthly the surplus (if any) shall be paid to the Borrower.

13.2 Further assurance

The Borrower will, at its expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the reasonable opinion of the Lender may be necessary or desirable for perfecting the security contemplated or constituted by the Loan Documents.

13.3 Conflicts

In the event of any conflict between this Agreement and any of the other Loan Documents executed by the Borrower, the provisions of this Agreement shall prevail.

13.4 No implied waivers, remedies cumulative

No failure or delay on the part of the Lender to exercise any power, right or remedy under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Loan Documents are cumulative and are not exclusive of any remedies provided by law. No waiver by the Lender shall be effective unless it is in writing.

13.5 Severability

If any provision of this Agreement is prohibited, invalid, illegal or unenforceable in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect or impair howsoever the remaining provisions thereof or affect the validity, legality or enforceability of such provision in any other jurisdiction.

13.6 Force Majeure

Regardless of any other provision of this Agreement the Lender shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority, (ii) any strike,

lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon the Lender or any of its representatives or employees), (iii) any act of God, (iv) any act of war (whether declared or not) or terrorism, (v) any failure of any information technology or other operational systems or equipment affecting the Lender or (vi) any other circumstances whatsoever outside the Lender's control; provided that, the foregoing shall not apply to any failure to fund the Advances on or prior to Second Secured Indenture Repayment Date.

13.7 Amendments

This Agreement may be amended or varied only by an instrument in writing executed by both parties hereto who irrevocably agree that the provisions of this clause 13.7 may not be waived or modified except by an instrument in writing to that effect signed by both of them.

13.8 Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement which may be sufficiently evidenced by one counterpart.

13.9 English language

All documents required to be delivered under and/or supplied whensoever in connection howsoever with any of the Loan Documents and all notices, communications, information and other written material whatsoever given or provided in connection howsoever therewith must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Lender.

14 ASSIGNMENT, TRANSFER AND DISCLOSURE

14.1 Benefit and burden

This Agreement shall be binding upon, and ensure for the benefit of, the Lender and the Borrower and their respective successors.

14.2 No assignment by Borrower

The Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lender. Neither the Borrower nor any affiliate of the Borrower may become a Lender or a sub-participant.

14.3 **Assignment by Lender**

The Lender may not assign, sell or sub-participate all or any part of its rights under any Loan Document except (i) to a wholly-owned Subsidiary or controlled (or under common control) affiliate of the Lender, (ii) during the occurrence of an Event of Default, to any Subsidiary or affiliate of the Lender or (iii) with the prior written consent of the Borrower. The Lender, acting solely for this purpose as an agent of the Borrower, shall maintain a register for the recordation of the names and addresses of any such assignee or participant of the Lender, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each such assignee or participant pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Lender, and any such assignee or participant of Lender shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Lender and any such assignee or participant of the Lender, at any reasonable time and from time to time upon reasonable prior notice. It is the intention that this Agreement be treated as a registered obligation and in “registered form” within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder.

14.4 **Disclosure of information**

The Lender may disclose to a prospective assignee, transferee or to any other person who may propose entering into contractual relations with the Lender in relation to this Agreement such information about or in connection with any of the Security Parties and the Loan Documents as the Lender considers appropriate, provided that the Lender shall consult with the Borrower prior to disclosing (i) any such information which is not public or contained in the Agreement and/or (ii) any documentation other than a copy of this Agreement or any other Security Document.

15 **NOTICES**

15.1 **General**

- 15.1.1 unless otherwise specifically provided herein, every notice under or in connection with this Agreement shall be given in English by letter delivered personally and/or sent by post and/or transmitted by email;

15.1.2 in this clause “notice” includes any demand, consent, authorisation, approval, instruction, certificate, request, waiver or other communication.

15.2 Addresses for communications, effective date of notices

15.2.1 Subject to clause 15.2.2 notices to the Borrower shall be deemed to have been given and shall take effect when received in full legible form by the Borrower at the address and/or the email address appearing below (or at such other address or email address as the Borrower may hereafter specify for such purpose to the Lender by notice in writing);

Address: Strathvale House, 90 N Church Street,
P.O. Box 309, Grand Cayman,
KY1-1104 Cayman Islands
email address: lwebster@navios.com

notwithstanding the provisions of this clause 15.2.1, a notice of Default and/or a notice given pursuant to clause 10.2 shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Lender to the Borrower to the address or email address referred to in this clause 15.2.1;

15.2.2 notices to the Lender shall be deemed to be given, and shall take effect, when received in full legible form by the Lender at the address and/or the email address appearing below (or at any such other address or email address as the Lender may hereafter specify for such purpose to the Borrower by notice in writing);

Address: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH 96960, Marshall Islands
e-mail: nsmfinance@navios.com

if under clause 15.2.1 or this clause 15.2.2 a notice would be deemed to have been given and effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

16 **GOVERNING LAW**

16.1 **Law**

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law.

17 **JURISDICTION**

17.1 **Exclusive jurisdiction**

Subject to clause 17.4 below, the Borrower and the Lender hereby irrevocably agree that the courts of England shall have exclusive jurisdiction:

17.1.1 to settle any disputes or other matters whatsoever arising under or in connection with this Agreement (or any non-contractual obligation arising out of or in connection with this Agreement) and any disputes or other such matters arising in connection with the negotiation, validity or enforceability of this Agreement or any part thereof, whether the alleged liability shall arise under the laws of England or under the laws of some other country and regardless of whether a particular cause of action may successfully be brought in the English courts; and

17.1.2 to grant interim remedies or other provisional or protective relief.

17.2 **Submission and service of process**

Subject to clause 17.4 below, the Borrower and the Lender accordingly irrevocably and unconditionally submit to the jurisdiction of the English courts. Without prejudice to any other mode of service the Borrower:

17.2.1 irrevocably empowers and appoints Messrs Hill Dickinson Services (London) Ltd at present of The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW, England as its agent to receive and accept on its behalf any process or other document relating to any proceedings before the English courts in connection with this Agreement;

17.2.2 agrees to maintain such an agent for service of process in England from the date hereof until the end of the Facility Period;

17.2.3 agrees that failure by a process agent to notify the Borrower of service of process will not invalidate the proceedings concerned;

17.2.4 without prejudice to the effectiveness of service of process on its agent under clause 17.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under clause 15.2;

17.2.5 agrees that if the appointment of any person mentioned in clause 17.2.1 ceases to be effective, the Borrower shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within seven (7) days the Lender shall thereupon be entitled and is hereby irrevocably authorised by the Borrower in those circumstances to appoint such person by notice to the Borrower.

17.3 Forum non conveniens and enforcement abroad

The Borrower and the Lender:

17.3.1 waive any right and agree not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within clause 17.1; and

17.3.2 agree that a final non-appealable judgment or order of an English court in a dispute or other matter falling within clause 17.1 shall be conclusive and binding on the Borrower and the Lender and may be enforced against them in the courts of any other jurisdiction.

17.4 Right of Lender, but not Borrower, to bring proceedings in any other jurisdiction

17.4.1 nothing in this clause 17 limits the right of the Lender to bring proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, including third party proceedings, against the Borrower, or to apply for interim remedies, in any other court and/or concurrently in more than one jurisdiction; and

17.4.2 the obtaining by the Lender of judgment in one jurisdiction shall not prevent the Lender from bringing or continuing proceedings in any other jurisdiction proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, whether or not these shall be founded on the same cause of action.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed on the date first above written.

BORROWER

SIGNED by /s/ George Achniotis, Chief Financial Officer)
for and on behalf of)
NAVIOS MARITIME HOLDINGS INC.)

LENDER

SIGNED by /s/ Sofia Tavla, Attorney-in-fact)
for and on behalf of)
NAVIOS SHIPMANAGEMENT)
HOLDINGS CORPORATION)

Date 13 December 2021

NAVIOS MARITIME HOLDINGS INC. (1)

as Borrower

-and-

NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION (2)

as Lender

**AMENDING AND RESTATING AGREEMENT RELATING TO A
LOAN AGREEMENT DATED 29 August 2019**

**in relation to a Loan Agreement
dated 29 August 2019**

Ince

PIRAEUS

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THIS AGREEMENT (this “**Agreement**”) is made on 13 December 2021

BETWEEN

- (1) **NAVIOS MARITIME HOLDINGS INC.**, a corporation incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, as borrower (hereinafter called, the “**Borrower**”); and
- (2) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION** a corporation incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, as lender (hereinafter called, the “**Lender**”).

BACKGROUND

- (A) By a loan agreement dated 29 August 2019 (the “**Original Loan Agreement**”) and made between (1) the Borrower as borrower and (2) the Lender as lender, the Lender made available to the Borrower a term loan facility of up to US\$125,000,000 upon the terms and for the purposes therein specified.
- (B) (1) As security for the Borrower’s obligations under the Original Loan Agreement the following (amongst others) security documents have been executed in favour of the Lender (the “**Released Security Documents**”):
 - (a) the Bareboat Owners’ Shares Pledges;
 - (b) the First Priority Charge over shares in Roselite Shipping Corporation;
 - (c) the First Priority Charge over shares in Vernazza Shiptrade Inc.;
 - (d) the Europe Receivables Pledge;
 - (e) the Shares Pledges over shares in Navios Maritime Acquisition Corporation; and
 - (f) the Assignment of Earnings and Insuranceseach as defined in the Original Loan Agreement.
- (2) As security for the Borrower’s obligations under the Original Loan Agreement, the following security documents have been executed in favour of the Lender and shall remain in full force and effect following the occurrence of the Effective Date to secure the obligations under the Amended and Restated Loan Agreement:
 - (a) the NMM Partnership Interests Pledge B;
 - (b) the NMM Partnership Interests Pledge C;
 - (c) the Guaranteeeach as defined in the Original Loan Agreement.

- (C) The Borrower has requested that the Lender to give its consent to the following (together, the “**Requests**”):
- (a) release of the Released Security Documents including the collateral granted under such Released Security Documents; and
 - (b) amendment of the Original Loan Agreement on the terms of the Amended and Restated Agreement (as hereinafter defined).
- (D) This Agreement sets out the terms and conditions on which the Lender agrees, with effect on and from the Effective Date (as hereinafter defined), to the requests of the Borrower set out in Recital (C) and to the consequential amendments to the Original Loan Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 **Defined expressions.** Words and expressions defined in the Amended and Restated Loan Agreement shall have the same meaning when used in this Agreement unless the context otherwise requires.

1.2 **Definitions.** In this Agreement, unless the contrary intention appears:

“**Amended and Restated Loan Agreement**” means the Original Loan Agreement, as amended and restated by this Agreement, the terms of which are set out in the Appendix (*Amended and Restated Loan Agreement*).

“**Effective Date**” means the first Banking Day on which all the conditions precedent referred to in Clause 3.1 have been fulfilled by the Borrower.

“**New Facility Agreements**” means together (a) a facility agreement made or to be made between (i) the Borrower (as borrower) and (ii) HCOB (as lender) for a loan of up to \$105,000,000 and (b) one facility agreement made or to be made between (amongst others) (i) the Borrower (as borrower) and (ii) CACIB/BNP (as lender) for a loan of up to \$105,000,000 and in the singular means any of them and (c) (x) an amending and restating agreement in respect of a loan agreement dated 29 June 2021 made between (i) the Borrower as borrower and (ii) the Lender as lender and (y) the loan agreement amended and restated thereby, in respect of a term loan facility of up to US\$135,000,000.

“**Released Parties**” means together, the parties other than the Lender to the Released Security Documents and in the singular means any one of them.

1.3 Incorporation of defined terms

(a) Unless a contrary indication appears, a term defined in the Amended and Restated Loan Agreement, any Released Security Document or Security Document has the same meaning in this Agreement.

(b) The principles of construction set out in the Amended and Restated Loan Agreement shall have effect as if set out in this Agreement.

1.4 Clauses

(a) In this Agreement any reference to a “Clause” or “Appendix” is, unless the context otherwise requires, a reference to a Clause or the Appendix of this Agreement.

(b) Clause and Appendix headings are for ease of reference only.

1.5 **Third Party Rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement except with respect to Section 4.2.

1.6 **Designation**

This Agreement is a Loan Document under the Amended and Restated Loan Agreement.

2 **AMENDMENTS**

With effect from the Effective Date the Original Loan Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in the Appendix (*Amended and Restated Loan Agreement*).

3 **CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT**

3.1 **Conditions Precedent.** The conditions referred to in the definition of “Effective Date” are that the Lender shall have received the following:

3.1.1 Corporate documents

a certificate from a duly authorised officer of Alpha Merit and the Borrower confirming that, as of the Effective Date, none of the documents delivered to the Lender pursuant to paragraph (a) of schedule 2 of the Original Loan Agreement have been amended or modified in any way since the date of their delivery to the Lender, or in the alternative copies thereof, certified by a duly authorised officer of Alpha Merit and, as the case may be, the Borrower as true, complete, accurate and neither amended nor revoked, of any documents which have been amended or modified;

3.1.2 Corporate authorities

- (a) a list of directors and officers of each Security Party, specifying the names and positions of such persons, containing specimen signatures of each director and officer, certified by an officer of the relevant Security Party to be true, complete and up to date as of the Effective Date;
- (b) copies of resolutions of the directors of each Security Party approving this Agreement or, as the case may be, the NMM Partnership Interests Pledge C, the Convertible Debenture and/or the endorsement at the end of this Agreement, as applicable, and authorising the execution and delivery hereof and performance of such Security Party’s obligations hereunder or thereunder, certified by an officer of the relevant Security Party as having been duly passed at a duly convened meeting of its directors and shareholders of, and not having been amended, modified or revoked and being in full force and effect;
- (c) an original of any power of attorney issued by each Security Party pursuant to such resolutions stated above;

3.1.3 NMM Partnership Interests Pledge C

NMM Partnership Interests Pledge C duly executed by Alpha Merit, together with all documents required to be delivered pursuant to the terms thereof;

3.1.4 Endorsement

the endorsement at the end of this Agreement signed by each Security Party (other than the Borrower);

3.1.5 Required Authorizations

a certificate issued by the Borrower that there are no Required Authorizations or that there are no Required Authorisations except those described in such certificate which have been duly obtained and certified copies of which (including any documents ancillary thereto) are appended thereto;

3.1.6 Convertible Debenture

duly executed and delivered copies of the Convertible Debenture;

3.1.7 New Facility Agreements

copies of the New Facility Agreements;

3.1.8 Representations and Warranties

a certificate issued by the Borrower certifying that the representations and warranties in Clause 7 of the Amended and Restated Loan Agreement, updated with appropriate modifications to refer to this Agreement, remain true and not misleading (giving effect to any materiality qualifiers set forth therein) if repeated on the date of this Agreement with reference to the circumstances now existing.

3.2 Condition Subsequent. The Borrower shall deliver or cause to be delivered to the Lender on, or as soon as practicable after, the Effective Date, documentary evidence that the agent for service of process named in Clause 18.2.1 of the Original Loan Agreement or another agent for service of process reasonably acceptable to the Lender has accepted its appointment in respect of the Amended and Restated Loan Agreement and the other Loan Documents

4 AMENDMENTS TO LOAN AGREEMENT AND OTHER SECURITY DOCUMENTS

4.1 Security Documents. With effect on and from the Effective Date each of the Security Documents shall be, and shall be deemed by this Agreement to be, amended so that the definition of, and references throughout each of the Security Documents to, the Original Loan Agreement and any of the other Security Documents shall be construed as if the same referred to the Amended and Restated Loan Agreement and those Security Documents as amended and supplemented by this Agreement.

The Security Documents shall remain in full force and effect as security for the Outstanding Indebtedness (as defined therein), as amended and supplemented by such further or consequential modifications as may be necessary to give full effect to the terms of this Agreement.

4.2 **Release of Released Parties**

With effect on and from the Effective Date and without prejudice to the obligations of the Borrower under the Loan Agreement the Lender hereby:

- (a) releases and discharges each Released Party from all its obligations under the Released Security Documents and terminates the Released Security Documents with the exception of any indemnities contained in any of the Released Security Documents which are expressly stated to survive;
- (b) reassigns and releases to each Released Party all its right, title and interest in, to and under all the property granted or assigned to the Lender or charged in favour of the Lender under the Released Security Documents including, without limitation, any insurances and the proceeds thereof; and
- (c) agrees to, at the Borrower's expense, execute, sign, and do any and every such further notice, assurance, document, act or thing as may be necessary or desirable to evidence the release contemplated or constituted by this Section 4.2.

The Lender makes and gives no representation, warranty or covenant in relation to the property reassigned herein except that they have not assigned, charged or granted another security interest in respect of that property.

5 **FURTHER ASSURANCES**

5.1 **Borrower to execute further documents etc.** The Borrower shall:

- (a) execute and deliver to the Lender (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Lender may, in any particular case, reasonably specify; and
- (b) effect any registration or notarisation, give any notice or take any other step, which the Lender may, by notice to the Borrower or other party, reasonably specify

for any of the purposes described in Clause 5.2 or for any similar or related purpose.

5.2 **Purposes of further assurances.** Those purposes are:

- (a) validly and effectively to create any security interest or right of any kind which the Lender intended should be created by or pursuant to the Amended and Restated Loan Agreement or any other Security Document, each as amended and supplemented by this Agreement; and
- (b) implementing the terms and provisions of this Agreement.

5.3 **Obligation to comply with notice.** The Borrower shall comply with a notice under Clause 5.1 by the date reasonably specified in the notice (or such later date as agreed to in writing by the Lender).

5.4 **Additional corporate action.** At the same time as the Borrower or any other party deliver to the Lender any document executed under Clause 5.1(a), the Borrower or such other party shall also deliver to the Lender a certificate signed by the Borrower's directors, or 2 of that other party's directors which shall:

- (a) set out the text of resolutions of the Borrower or that other party's directors specifically authorising the execution of the document specified by the Lender; and
- (b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Borrower's or that other party's articles of association or other constitutional documents.

6 **FEES AND EXPENSES**

6.1 **Fees and Expenses.** The provisions of Clause 5 (*Fees and expenses*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

7 **NOTICES**

General. The provisions of Clause 16 (*Notices*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

8 **SUPPLEMENTAL**

8.1 **Counterparts.** This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9 **LAW AND JURISDICTION**

Application of the Amended and Restated Loan Agreement provisions. This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law. The provisions of Clause 18 (*Jurisdiction*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly set out in this Agreement with any necessary modifications.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed as a deed on the date first above written.

THE BORROWER

SIGNED and delivered as a Deed)
by /s/ Georgios Achniotis)
for and on behalf of)
NAVIOS MARITIME HOLDINGS INC.)
as attorney-in-fact)
Witnessed by:)

Signature /s/ Maria Trivela
Name: Maria Trivela
Address: Akti Miaouli 85, Piraeus

THE LENDER

SIGNED and delivered as a Deed by)
and by /s/ Sofia Tavla)
for and on behalf of)
NAVIOS SHIPMANAGEMENT)
HOLDINGS CORPORATION)
Witnessed by:)

Signature /s/ Maria Trivela
Name: Maria Trivela
Address: Akti Miaouli 85, Piraeus

DATED 29 June 2021

**as amended and restated
on November 2021**

NAVIOS MARITIME HOLDINGS INC.

as borrower

and

NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION

as lender

SECURED LOAN AGREEMENT

for a loan of up to USD135,000,000

in one or more advances

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THIS LOAN AGREEMENT (this “**Agreement**”) is dated 29 June 2021 and amended and restated on November 2021 and made **BETWEEN**:

- (1) **NAVIOS MARITIME HOLDINGS INC.** as Borrower; and
- (2) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION** as Lender.

IT IS AGREED as follows:

1 PURPOSE AND DEFINITIONS

1.1 Purpose

This Agreement sets out the terms and conditions upon which the Lender agrees to make available to the Borrower a loan facility of **USD135,000,000** (subject to adjustment as provided for in clause 2.2) in connection with the refinancing of certain obligations.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

“**Advance A**” means the amount of USD64,058,823 made available by the Lender to the Borrower prior to the Effective Date;

“**Advance**” means the amount of any advance made or to be made available by the Lender to the Borrower on or after the Effective Date in accordance with the terms of this Agreement in an aggregate amount of up to USD70,941,177;

“**Alpha Merit**” means Alpha Merit Corporation, a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Amending and Restating Agreement**” means that Amending and Restating Agreement supplemental to this Agreement dated November 2021, made by and between the Borrower and the Lender;

“**Applicable Premium**” means the excess of (A) the present value at such time of (i) 110% of the principal amount so prepaid, assuming payment thereof on the 18 month anniversary of the Effective Date plus (ii) all remaining interest payments due (calculated at a rate 18% per annum, if the prepayment occurs prior to the Second Secured Indenture Repayment Date; and

16.5% per annum if the prepayment occurs on or after the Second Secured Indenture Repayment Date) on the amount so prepaid through and including the 18 month anniversary of the Effective Date (excluding any interest accrued to the date of such prepayment), computed using a discount rate equal to the Applicable Treasury Rate, plus 0.50%, over (B) the principal amount so prepaid on the date of prepayment;

“**Applicable Treasury Rate**” means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Banking Days prior to such date of prepayment (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such date of redemption to the 18 month anniversary of the Effective Date; *provided, however*, that if the period from the date of prepayment to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given having maturities as close as possible to the date that is the 18 month anniversary of the Effective Date;

“**Banking Day**” means a day on which dealings in deposits in USD are carried on in the London Interbank Eurocurrency Market and a day (other than Saturday or Sunday) on which banks are open for general business in London, Piraeus, Hamburg and New York City;

“**Borrowed Money**” means Indebtedness in respect of (i) money borrowed and debit balances at banks, (ii) any bond, note, loan stock, debenture or similar debt instrument, (iii) acceptance or documentary credit facilities, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred payments for assets or services acquired, (vi) finance leases and hire purchase contracts, (vii) swaps, forward exchange contracts, futures and other derivatives, (viii) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or of any of (ii) to (vii) above and (ix) guarantees in respect of Indebtedness of any person falling within any of (i) to (viii) above;

“**Borrower**” means Navios Maritime Holdings Inc. a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Certified Copy**” means in relation to any document delivered or issued by or on behalf of any company, a copy of such document certified as a true, complete and up to date copy of the original by any of the directors or officers for the time being of such company or by such company’s attorneys or solicitors;

“**Collateral**” means the collateral subject to the Security Documents other than the Guarantees and any other Encumbrance provided to the Lender from time to time as security for the Loan;

“**Commitment**” means, in relation to the Loan, the maximum amount which the Lender has agreed to lend to the Borrower under clause 2.1 as reduced by any relevant term of this Agreement;

“**Compliance Certificate**” means a certificate substantially in the form set out in schedule 3 signed by a director of the Borrower;

“**Convertible Debenture**” means the Convertible Debenture issued by the Borrower in favour of the Lender as of the date hereof ;

“**Default**” means any Event of Default or any event or circumstance which with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof) would constitute an Event of Default;

“**Designated Shareholder**” means Mrs. Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary);

“**Dollars**” and “**USD**” mean the lawful currency of the USA and in respect of all payments to be made under any of the Loan Documents means funds which are for same day settlement in the New York Clearing House Interbank Payments System (or such other US dollar funds as may at the relevant time be customary for the settlement of international banking transactions denominated in US dollars);

“**Drawdown Date**” means, in respect of an Advance, any date being a Banking Day on which that Advance is, or is to be, made available;

“**Drawdown Notice**” means in relation to each Advance a notice substantially in the form of Schedule 4;

“**Effective Date**” has the meaning given thereto in the Amending and Restating Agreement;

“Encumbrance” means any mortgage, charge, pledge, lien, hypothecation, assignment, title retention, preferential right, option, trust arrangement or security interest or any other encumbrance, security or arrangement conferring howsoever a priority of payment in respect of any obligation of any person;

“Event of Default” means any of the events or circumstances listed in clause 10.1;

“Facility Period” means the period starting as of the date hereof and ending on such date as all payment obligations whatsoever of the Borrower under or pursuant to the Loan Documents whensoever arising, actual or contingent, have been irrevocably paid;

“FATCA” means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any associated regulations or other associated official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“FATCA Deduction” means a deduction or withholding from a payment under a Loan Document required by FATCA;

“FATCA Exempt Party” means a party that is entitled to receive payments free from any FATCA Deduction;

“Fee Letter” means the fee letter dated as of the Effective Date addressed by the Borrower to the Lender in respect of fees payable by the Borrower in relation to, among other things, this Agreement;

“Final Repayment Date” means the fourth anniversary of the Effective Date or such later date requested by the Borrower as the Lender may agree in its absolute discretion on which the Loan must be repaid in full;

“Financial Indebtedness” means, in relation to a person (the **“debtor”**), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, debenture, note or other security issued by the debtor (but excluding surety bonds, performance bonds or similar instruments except to the extent of a reimbursement obligation then outstanding);
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or;
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (e) if the references to the debtor referred to the other person;

“GP LLC” means Navios GP LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“GP LLC Interests Pledge” means the second priority pledge of all membership interests of and in GP LLC to be executed by the Borrower in favour of the Lender in such form as the Lender may require in its reasonable discretion;

“Group” means at any relevant time the Borrower and its Subsidiaries but not including any Subsidiary which is listed on any public stock exchange and any of its Subsidiaries;

“Group Member” means any member of the Group;

“Guarantee” means each of the guarantees granted by each of the Guarantors, in such form as the Lender may agree or require in its reasonable discretion (and which may be in the form of a joint and several guarantee), and in the plural means all of them;

“Guarantor” means each of the companies listed in Schedule 1 and in the plural means all of them;

“Indebtedness” means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money (but excluding surety bonds, performance bonds or similar instruments except to the extent of a reimbursement obligation then outstanding);

“Intercreditor Agreement” means an agreement between, among others, the Collateral Trustee and the Co-Issuers (each as defined in the Second Secured Indenture), the Lender and the Security Parties party to the Security Documents over assets which are also secured in favour of the said Collateral Trustee under first priority security;

“Latest Accounts” means, in respect of any financial year of the Borrower, the latest financial statements required to be prepared pursuant to clause 8.1.6;

“Legal Reservations” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) any general principles, reservations or qualifications, in each case as to matters of law as set out in any legal opinion;
- (d) the principle that any additional interest imposed under any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (e) the principle that, in certain circumstances, security granted by way of fixed charge may be characterised as a floating charge or that security purported to be constituted by way of an assignment may be recharacterised as a charge;
- (f) the principle that the courts of England may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and
- (g) similar principles, rights and defences under the laws of any Pertinent Jurisdiction;

“Lender” means Navios Shipmanagement Holdings Corporation, a corporation incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“Loan” means the principal amount borrowed by the Borrower under this Agreement or (as the context may require) the principal amount owing to the Lender under this Agreement at any relevant time;

“Loan Documents” means this Agreement, the Convertible Debenture, the Amending and Restating Agreement and the Security Documents;

“Material Adverse Effect” means, a material adverse effect on:

- (a) the business, assets or financial condition of the Group (taken as a whole); or
- (b) the ability of the Borrower to perform its obligations under the Loan Documents; or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of, any Encumbrance granted or purporting to be granted pursuant to any of the Security Documents;

“Navios Logistics” means Navios South American Logistics Inc., a company incorporated in the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.

“Navios Logistics Shares Pledge” means a second priority pledge of the shares of and in Navios Logistics required to be executed hereunder by the Navios Logistics Shareholder in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“Navios Logistics Shareholder” means Navios Corporation a corporation organised and existing under the laws of the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“New Facility Agreements” has the meaning given thereto in the Amending and Restating Agreement;

“NMM” means Navios Maritime Partners L.P. a limited partnership organised and existing under the laws of the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“NMM Partnership Interests Pledge A” means a second priority pledge of 1,070,491 common units of NMM required to be executed hereunder by Alpha Merit and GP LLC in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“NMM Partnership Interests Pledge B” means a second priority pledge of 2,070,216 common units of NMM required to be executed hereunder by Alpha Merit, and the Borrower in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“NMM Partnership Interests Pledge C” means a second priority pledge of 1,905 common units of NMM required to be executed hereunder by Alpha Merit in favour of the Lender, in such form as the Lender may agree or require in its sole discretion;

“Permitted Encumbrance” means (i) any Encumbrance created pursuant to or expressly permitted by the Loan Documents or otherwise permitted by the Lender, (ii) any Encumbrance permitted by the terms of the New Facility Agreements, (iii) any lien arising by the operation of law, (iv) any Encumbrance existing as at the Effective Date in respect of any Financial Indebtedness, (v) any Encumbrance securing Financial Indebtedness permitted under clause 8.2.3 and (vi) such other Encumbrances as the Lender may consent to for the purposes of this definition;

“Perfection Requirements” means the making or procuring of appropriate registrations, filings, endorsements, notarisations, stampings and/or notifications of the Security Documents and/or the security expressed to be created under the Security Documents determined by the legal advisers to the Lender to be necessary in any Pertinent Jurisdiction for the enforceability or production in evidence of the relevant Security Document to the extent such matters are complied with within any timeframe specified by law or the relevant Security Document;

“Pertinent Jurisdiction” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets which are secured under the Security Documents;

“Proceedings” means any litigation, arbitration, legal action or complaint or judicial, quasi-judicial or administrative proceedings whatsoever arising or instigated by anyone in any court, tribunal, public office or other forum whatsoever and wheresoever (including, without limitation, any action for provisional or permanent attachment of any thing or for injunctive remedies or interim relief and any action instigated on an ex parte basis);

“Prohibited Person” means a person that is:

- (d) listed on, or owned or controlled by a person listed on any Sanctions List;

- (e) permanently located, organised or resident in, a country or territory that is the target of country-wide Sanctions; or
- (f) otherwise a target of Sanctions.

“**Register**” has the meaning specified in clause 14.3

“**Required Authorisation**” means any authorisation, consent, declaration, licence, permit, exemption, approval or other document, whether imposed by or arising in connection with any law, regulation, custom, contract, security or otherwise howsoever which must be obtained at any time from any person, government entity or central bank or other self-regulating or supra-national authority in order to enable the Borrower lawfully to draw the Loan and/or to enable any Security Party lawfully and continuously to continue its corporate existence and/or perform all its obligations whatsoever whensoever arising under the Loan Documents and/or grant security under the Security Documents and/or to ensure the continuous validity and enforceability thereof;

“**Sanctions**” means any economic or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

- (g) the United States government;
- (h) the United Nations;
- (i) the European Union or any of its Member States;
- (j) the United Kingdom;
- (k) any country to which any Security Party is bound; or
- (l) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”), the United States Department of State, and Her Majesty’s Treasury (“**HMT**”) (together “**Sanctions Authorities**”).

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list issued by OFAC, the “Consolidated List of Financial Sanctions Targets and Investment Ban List” issued by HMT, or any similar list issued or maintained or made public by any of the Sanctions Authorities.

“Second Secured Indenture” means the Indenture dated as of 21 November 2017 for USD305,000,000 issued by the Borrower and Navios Maritime Finance II (US) Inc. for 11.25% Senior Secured Notes due on August 15, 2022, as amended and/or to be amended from time to time;

“Second Secured Indenture Repayment Date” means the date on which all amounts due and payable under the Second Secured Indenture are repaid;

“Securities Account” means an account in the name of the Borrower opened or to be opened with the Securities Account Bank or any other account (with that or another office of the Securities Account Bank or with a bank or financial institution other than the Securities Account Bank) which is designated by the Lender as the Securities Account for the purposes of this Agreement;

“Securities Account Bank” means UBS Financial Services Inc. or another bank or financial institution approved by the Lender at the request of the Borrower;

“Securities Account Pledge” means a pledge or other instrument in respect of the Securities Account executed or to be executed by the Borrower in favour of the Lender in such form as the Lender may require in its reasonable discretion

“Security Documents” means, the GP LLC Interests Pledge, the Navios Logistics Shares Pledge, the NMM Partnership Interests Pledge A, the NMM Partnership Interests Pledge B, the NMM Partnership Interests Pledge C, the Guarantee, the Securities Account Pledge and any other documents designated by the Borrower and the Lender as “Security Documents” or any other documents as may have been or shall from time to time after the date of this Agreement be executed in favour of the Lender to guarantee and/or to govern and/or to secure payment of all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrower pursuant to this Agreement;

“Security Party” means the Borrower, the Guarantors, Alpha Merit, GP LLC, the Navios Logistics Shareholder or any other person who may at any time be a party to any of the Loan Documents (other than the Lender);

“Subsidiary” of a person means any company or entity directly or indirectly controlled by such person, and for this purpose “control” means either the ownership of more than fifty per cent (50%) of the voting share capital (or equivalent rights of ownership) of such company or entity;

“**Taxes**” includes all present and future income, corporation, capital or value-added taxes and all stamp and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties in respect thereto, if any, and charges, fees or other amounts made on or in respect thereof (and “Taxation” shall be construed accordingly); and

“**Unlawfulness**” means any event or circumstance which either is or, as the case may be, might in the reasonable opinion of the Lender become the subject of a notification by the Lender to the Borrower under clause 12.1.

1.3 **Construction**

In this Agreement, unless the context otherwise requires:

- 1.3.1 clause headings and the index are inserted for convenience of reference only and shall be ignored in the construction of this Agreement;
- 1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules;
- 1.3.3 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as duly amended and/or supplemented and/or novated;
- 1.3.4 references to a “regulation” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any government entity, central bank or any self-regulatory or other supra-national authority (including, without limitation, any regulation implementing or complying with (1) the Basel Framework set forth by the Basel Committee on Banking Supervision as in effect on the Effective Date (the “**Basel Framework**”) and (2) any other law or regulation which, at any time and from time to time, implements and/or amends and/or supplements and/or re-enacts and/or supersedes, whether in whole or in part, the Basel Framework or any predecessor or successor thereto published from time to time by the Basel Committee on Banking Supervision (including European Union Directive 2013/36/EU and European Union Regulation 575/2013), and whether such implementation, application or compliance is by a government entity, a lender or any company affiliated to it);

- 1.3.5 references to any person in or party to this Agreement shall include reference to such person's lawful successors and assigns and references to the Lender shall also include a transferee;
- 1.3.6 words importing the plural shall include the singular and vice versa;
- 1.3.7 references to a time of day are, unless otherwise stated, to London time;
- 1.3.8 references to a person shall be construed as references to an individual, firm, company, corporation or unincorporated body of persons or any government entity;
- 1.3.9 references to a "guarantee" include references to an indemnity or any other kind of assurance whatsoever (including, without limitation, any kind of negotiable instrument, bill or note) against financial loss or other liability including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and "guaranteed" shall be construed accordingly;
- 1.3.10 references to any statute or other legislative provision are to be construed as references to any such statute or other legislative provision as the same may be re-enacted or modified or substituted by any subsequent statute or legislative provision (whether before or after the date hereof) and shall include any regulations, orders, instruments or other subordinate legislation issued or made under such statute or legislative provision;
- 1.3.11 a certificate by the Lender as to any amount due or calculation made or any matter whatsoever determined in connection with this Agreement shall be conclusive and binding on the Borrower except for manifest error;
- 1.3.12 if any document, term or other matter or thing is required to be approved, agreed or consented to by the Lender such approval, agreement or consent must be obtained in writing unless the contrary is stated; and
- 1.3.13 the words "other" and "otherwise" shall not be construed eiusdem generis with any foregoing words where a wider construction is possible.

1.4 Contracts (Rights of Third Parties Act) 1999

No part of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

2 THE LENDER'S COMMITMENT, LOAN AND USE OF PROCEEDS

2.1 The Commitment

In reliance upon each of the representations and warranties in clause 7, the Lender agrees to make available by way of loan to the Borrower on the terms of this Agreement the principal amount described in clause 2.2.

2.2 Amount

The principal amount of USD135,000,000 to be made available in:

- (a) Advance A in the amount of USD64,058,823 (which amount has been drawn prior to the Effective Date and the Borrower acknowledges receipt thereof); and
- (b) one or more Advances on or after the Effective Date in an aggregate amount of up to USD70,941,177.

2.3 Advance

On the terms and subject to the conditions of this Agreement, the Loan shall be advanced in one or more Advances, each on a Drawdown Date following receipt by the Lender from the Borrower of a Drawdown Notice not later than 10 a.m. London time on the Banking Day before such proposed Drawdown Date. A Drawdown Notice shall be effective on actual receipt by the Lender and, once given, shall be irrevocable.

2.4 Availability

Upon receipt of a Drawdown Notice complying with the terms of this Agreement, the Lender shall, subject to the provisions of clause 9, make an Advance available to the Borrower on the relevant Drawdown Date in payment to such account as the Borrower shall specify in the relevant Drawdown Notice, provided that such Drawdown Date must be on or before the Second Secured Indenture Repayment Date (or such later date as the Borrower and the Lender may agree).

2.5 Use of Proceeds

The Advances shall be applied to repay certain indebtedness and for general corporate purposes, and the Lender shall have no responsibility for the Borrower's use of the proceeds of the Loan and is not bound to monitor or verify the application of any amount borrowed pursuant to the terms of this Agreement.

3 INTEREST

3.1 Interest rate

3.1.1 The Loan shall bear interest (a) up to the Effective Date in respect of Advance A, 10.5% per annum and (b) from the Effective Date onwards in respect of Advance A and from the Drawdown Date in respect of any Advance (i) up to but not including the Second Secured Indenture Repayment Date, 15% per annum and thereafter (ii) 13.5% per annum, which shall, following the Effective Date, be payable (subject to Clause 3.1.3) in quarterly instalments in arrears commencing with an instalment for the whole Loan becoming due three months after the Drawdown Date in respect of the first Advance to be drawn down after the Effective Date and quarterly thereafter (each such date, an “**Interest Payment Date**”).

3.1.2 Interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed during the period.

3.1.3 If the Borrower does not pay the amount of then due and owing interest in immediately available funds in accordance with Clause 3.1.1 on the Interest Payment Date on which it is due, (it being agreed that no interest in respect of any period from the Effective Date to the 18 month anniversary of the Effective Date may be paid in cash or other funds) then such unpaid interest shall be automatically deemed to be paid by means of an increase as of the Interest Payment Date to the outstanding principal amount of the Convertible Debenture in an amount equal to such unpaid interest plus an amount equal to 3% per annum of the relevant part of the Loan and/or any part thereof for which such unpaid interest was due. The Borrower may pay all or a portion of any due interest in immediately available funds but not with respect to any portion thereof accruing during the period from the Effective Date to the 18 month anniversary of the Effective Date.

3.2 Default interest

If the Lender fails to receive any sum whatsoever on its due date for payment under any of the Loan Documents (other than any sum expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture), the Borrower must pay interest on such sum on demand from the due date up to the date of actual payment (as well after as before judgment) at a rate of two (2.0) per cent per annum over the interest rate referred to in clause 3.1. Such interest shall be due and payable on demand, shall accrue daily and shall be compounded annually.

4 REPAYMENT AND PREPAYMENT

4.1 Repayment

Subject as otherwise provided in this Agreement, the Borrower must repay the Loan in quarterly instalments of USD5,000,000, falling due on Interest Payment Dates, with the first instalment falling due on the first Interest Payment Date in the third quarter of 2023 and subsequent instalments falling due on subsequent Interest Payment Dates thereafter and on the Final Repayment Date the Borrower must repay the whole of the Loan then outstanding.

4.2 Voluntary prepayment

The Borrower may prepay the Loan in whole or in part (being USD1,000,000 or any larger sum which is a whole multiple of USD1,000,000) at any time.

4.3 Mandatory Prepayment

The Borrower shall prepay the Loan:

- 4.3.1 in full upon the occurrence of a “Change of Control” as described in Clause 10.1.21;
- 4.3.2 in full upon any Indebtedness being incurred by the Borrower contrary to the provisions of clause 7.1.16 and the terms of this Agreement on the date such Indebtedness is incurred;
- 4.3.3 on the date falling 30 days after the sale or receipt of insurance proceeds from the total loss of any vessel owned by any Group Member in an amount equal to the net proceeds of such sale or total loss as follows: after payment of any amounts then due and payable to any mortgagee or assignee of insurance of such vessel, any remaining balance amount to be paid forthwith to the Lender in partial prepayment of the Loan, unless the Borrower has before that date provided to the Lender acceptable (to the Lender in its absolute discretion) security over an asset having a value the same as or greater than the sold or lost vessel; and
- 4.3.4 on the date falling 30 days after the sale of any Collateral (to the extent not covered by Clause 4.3.3) in an amount equal to the net proceeds of such sale, unless the Borrower has before that date provided to the Lender acceptable (to the Lender in its absolute discretion) security over an asset having a value the same as or greater than the sold asset.

4.4 Amounts payable on prepayment

Any prepayment of all or part of the Loan under this Agreement shall be made together with:

- 4.4.1 accrued interest on the amount to be prepaid to the date of such prepayment, which shall be deemed to be paid at the applicable rate(s) set forth in Clause 3.1.3 by means of an increase as of such date to prepayment to the outstanding principal amount of the Convertible Debenture; except that Borrower may elect to pay any interest accrued with respect to any period from the 18 month anniversary of the Effective Time that was not previously deemed to have been paid by means of an increase to the outstanding principal amount of the Convertible Debenture in immediately available funds at the applicable rate(s) set forth in Clause 3.1.1;
- 4.4.2 any additional amount payable under clause 6.5;
- 4.4.3 in respect of any payment made under Clause 4.2, 4.3 or 10.2, a prepayment fee due to, and earned by, the Lender in an amount of:
- (a) in respect of any prepayment made after the Effective Date but before the 18 month anniversary of the Effective Date, the Applicable Premium; and
 - (b) in respect of any prepayment made on or after the 18 month anniversary of the Effective Date but before the second anniversary of the Effective Date, 10% of the amount so prepaid; and
 - (c) in respect of any prepayment made on or after the second anniversary of the Effective Date but before the third anniversary of the Effective Date, 5% of the amount so prepaid

which amount shall be deemed to be paid by means of an increase to the principal amount outstanding under the Convertible Debenture.

- 4.4.4 if of the whole Loan, all other sums payable by the Borrower to the Lender under this Agreement or any of the other Loan Documents.

4.5 Notice of prepayment; reduction of repayment instalments

- 4.5.1 No prepayment may be effected under clause 4.2 unless the Borrower shall have given the Lender at least three (3) Banking Days' prior written notice of its intention to make such prepayment. Every notice of prepayment shall be effective only on actual receipt by the Lender, shall be irrevocable, shall specify the amount to be prepaid and shall oblige the Borrower to make such prepayment on the date specified.

4.5.2 The Borrower may not prepay any part of the Loan except as expressly provided in this Agreement.

4.5.3 No amount prepaid may be reborrowed.

4.6 Application of prepayments

4.6.1 the Borrower may elect to apply any voluntary prepayments made pursuant to clause 4.2 towards reduction of any remaining instalment payments in respect of the Loan; and

4.6.2 any mandatory prepayments under Clause 4.3 (other than a mandatory prepayment in full) shall be applied against the remaining instalment payments in respect of the Loan on a pro rata basis.

5 FEES AND EXPENSES

5.1 Fees

The Borrower shall on the Effective Date pay to the Lender fees in accordance with the Fee Letter.

5.2 Expenses

The Borrower agrees to reimburse the Lender on a full indemnity basis on demand for all reasonable and documented expenses and/or disbursements whatsoever:

5.2.1 in connection howsoever with the negotiation, preparation, execution and, where relevant, registration of any contemplated or actual amendment, indulgence or the granting of any waiver or consent howsoever in connection with any of the Loan Documents; and

5.2.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretion under any of the Loan Documents or any amendment thereto or consideration of the Lender's rights thereunder or any action proposed or taken with interest at the rate referred to in clause 3.2 from the date falling 3 Banking Days after the date on which such expenses and/or disbursements were demanded by the Lender to the date of payment (as well after as before judgment).

5.3 Value Added Tax

All expenses payable under to this clause 5 must be paid with value added tax or any similar tax (if any) properly chargeable thereon. Any value added tax chargeable in respect of any services supplied by the Lender under this Agreement must, on delivery of the value added tax invoice, be paid in addition to any sum agreed to be paid hereunder.

5.4 Stamp and other duties

The Borrower must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Lender) imposed on or in connection with any Loan Documents or the Loan and agree to indemnify the Lender against any liability arising by reason of any delay or omission by the Borrower to pay such duties or taxes other than to the extent such duties or taxes arise as a result of the Lender transferring its Loan or Commitments under this Agreement.

6 PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS

6.1 No set-off or counterclaim

All payments to be made by the Borrower under any of the Loan Documents must be made in full, without any set-off or counterclaim whatsoever and, subject to clause 6.5, free and clear of any deductions or withholdings, in USD not later than 11 a.m. London time on the due date to such account of the Lender as the Lender may from time to time notify to the Borrower.

6.2 Non-Banking Days

When any payment under any of the Loan Documents would otherwise be due on a day which is not a Banking Day, the due date for payment shall be extended to the next following Banking Day.

6.3 Calculations

All interest and other payments of an annual nature under any of the Loan Documents shall accrue from day to day and be calculated on the basis of actual days elapsed and a 365 or 366 day year, as applicable.

6.4 Currency of account

If any sum due from the Borrower under any of the Loan Documents, or under any order or judgment given or made in relation thereto or for any other reason whatsoever, must be converted from the currency (“the first currency”) in which the same is payable thereunder into another currency (“the second currency”) for the purpose of (i) making or filing a claim or proof against the Borrower, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, the Borrower undertakes to indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Lender may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. Any amount due from the Borrower under this clause 6.4 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Loan Documents and the term “rate of exchange” includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

6.5 Grossing-up for Taxes

If at any time the Borrower must make any deduction or withholding in respect of Taxes from any payment due under any of the Loan Documents, the sum due from the Borrower in respect of such payment must then be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been made and the Borrower agrees to indemnify the Lender on demand against any losses or costs certified by the Lender to have been incurred by it by reason of any failure of the Borrower to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrower must promptly deliver to the Lender any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid. . The Lender shall use commercially reasonable efforts (including the delivery of properly completed and executed Tax forms or documentation prescribed by applicable law) to reduce or eliminate any deduction or withholding for Taxes from any payment due under any of the Loan Documents and to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to this clause 6.5.

6.6 Loan account

The Lender agrees to maintain a control account showing the Loan and other sums owing by the Borrower under the Loan Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, absent prompt objection by the Borrower, be conclusive as to the amount from time to time owing by the Borrower under the Loan Documents.

6.7 Partial payments

If, on any date on which a payment is due to be made by the Borrower under any of the Loan Documents, the amount received by the Lender from the Borrower falls short of the total amount of the payment due to be made by the Borrower on such date then, without prejudice to any rights or remedies available to the Lender under any of the Loan Documents, the Lender must apply the amount actually received from the Borrower in or towards discharge of the obligations of the Borrower under the Loan Documents in the following order, notwithstanding any appropriation made, or purported to be made, by the Borrower:

- 6.7.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Lender under any of the Loan Documents;
- 6.7.2 secondly, in or towards payment of any expenses payable to the Lender under, or in relation to, the Loan Documents which remain unpaid;
- 6.7.3 thirdly, in or towards payment to the Lender of any accrued interest owing in respect of the Loan (other than accrued interest expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture) which shall have become due under any of the Loan Documents but remains unpaid;
- 6.7.4 fourthly, in or towards payment to the Lender of any principal in respect of the Loan which shall have become due but remains unpaid ;

6.7.5 fifthly, in or towards payment to the Lender of any other sum which shall have become due under any of the Loan Documents but remains unpaid (and, if more than one such sum so remains unpaid, on a pro rata basis), other than any sum expressly deemed paid hereunder by means of an increase to the outstanding principal amount of the Convertible Debenture.

The order of application set out in clauses 6.7.1 to 6.7.5 may be varied by the Lender without any reference to, or consent or approval from, the Borrower.

6.8 FATCA

6.8.1 Subject to Clause 6.8.3 below, each party shall, within ten (10) Banking Days of a reasonable request by another party:

(a) confirm to that other party whether it is:

(i) a FATCA Exempt Party; or

(ii) not a FATCA Exempt Party; and

(b) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable pass-through percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.

6.8.2 If a party confirms to another party pursuant to Clause 6.8.1(a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.

6.8.3 Clause 6.8.1(a) above shall not oblige the Lender to do anything which would or might in its reasonable opinion constitute a breach of:

(a) any law or regulation;

(b) any policy of the Lender;

(c) any fiduciary duty; or

(d) any duty of confidentiality.

- 6.8.4 If the Borrower is required to make a FATCA Deduction, the Borrower shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA;
- 6.8.5 The Borrower shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Lender accordingly; and
- 6.8.6 Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Borrower shall deliver to the Lender evidence satisfactory to the Lender that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

7 REPRESENTATIONS AND WARRANTIES

7.1 Continuing representations and warranties

The Borrower represents and warrants to the Lender that:

7.1.1 Due incorporation

each of the Security Parties is duly incorporated and validly existing in good standing, under the laws of the Republic of the Marshall Islands as a corporation or limited liability company and has power to carry on its respective business as it is now being conducted and to own its property and other assets to which it has unencumbered legal and beneficial title except as disclosed to the Lender in writing;

7.1.2 Corporate power

each of the Security Parties has power to execute, deliver and perform its obligations and, as the case may be, to exercise its rights under the Loan Documents to which it is a party; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and on the execution of the Loan Documents performance of the same and no limitation on the powers of the Borrower to borrow or any other Security Party to howsoever incur liability and/or to provide or grant security will be exceeded as a result of borrowing any part of the Loan;

7.1.3 Binding obligations

subject to the Legal Reservations and the Perfection Requirements, the Loan Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties enforceable in accordance with their respective terms and admissible in evidence and the Security Documents will create first priority Encumbrances;

7.1.4 No conflict with other obligations

the execution and delivery of, the performance of its obligations under, and compliance with the provisions of, the Loan Documents by the relevant Security Parties will not (i) contravene in any material respect any existing applicable law, statute, rule or regulation or any judgment, decree or permit of any Pertinent Jurisdiction to which any Security Party or other member of the Group is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any Security Party or any other member of the Group is a party or is subject or by which it or any of its property is bound which is likely to have a Material Adverse Effect, (iii) contravene or conflict with any provision of the constitutional documents of any Security Party or (iv) result in the creation or imposition of, or oblige any Security Party to create, any Encumbrance (other than a Permitted Encumbrance) on any of the undertakings, assets, rights or revenues of any Security Party secured under the Security Documents;

7.1.5 No default

no Default has occurred which is continuing;

7.1.6 No litigation or judgments

no Proceedings are current, pending or, to the knowledge of the officers of the Borrower, threatened against any Security Party or any other Group Members or their assets which could have a Material Adverse Effect and there exist no judgments, orders, injunctions which would materially affect the obligations of any Security Party under the Loan Documents other than have been publicly disclosed by the Borrower prior to the Effective Date;

7.1.7 No filings required

it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Loan Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to the Loan Documents and each of the Loan Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;

7.1.8 Required Authorisations and legal compliance

all Required Authorisations have been obtained or effected and are in full force and effect and no Security Party has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to money laundering);

7.1.9 Choice of law

the choice of English law to govern the Loan Documents and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of the Security Parties associated therewith, are valid and binding;

7.1.10 No immunity

no Security Party nor any of their assets is entitled to immunity on the grounds of sovereignty or otherwise from any Proceedings whatsoever;

7.1.11 Financial statements correct and complete

the Latest Accounts of the Borrower in respect of the relevant financial year as delivered to the Lender present fairly and accurately the financial position of the Borrower for the financial year, ended on such date and, as at such date, the Borrower had no material liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements or notes thereto;

7.1.12 Pari passu

the obligations of the Security Parties under this Agreement are direct, general and unconditional obligations of the Security Parties and rank at least pari passu with all present and future unsubordinated Indebtedness of each Security Party except for obligations which are mandatorily preferred by operation of law and not by contract;

7.1.13 Information/ Material Adverse Effect

all written factual information, whatsoever provided by any Security Party to the Lender in connection with the negotiation and preparation of the Amending and Restating Agreement, or otherwise provided hereafter in relation to, or pursuant to this Agreement is true and accurate in all material respects and not misleading and the Borrower's public filings do or will not omit material facts and all reasonable enquiries have been made to verify the facts and statements contained therein as of such date and there has not occurred a Material Adverse Effect on any Security Party since such information was provided to the Lender;

7.1.14 Freedom from Encumbrances

save as otherwise disclosed in writing by the Borrower to the Lender on or prior to the date of this Agreement, no properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances;

7.1.15 Copies true and complete

the copies of the constitutional documents of the Security Parties delivered or to be delivered to the Lender pursuant to clause 9.1 are, or will when delivered be, true and complete copies; and there have been no amendments or variations thereof;

7.1.16 Indebtedness

no Security Party has incurred any Indebtedness other than as permitted under clause 8.2.3 or as otherwise disclosed to the Lender in writing or as disclosed in the Group's public filings or up to, but not following the Second secured Indenture Repayment Date, as permitted under the Second Secured Indenture;

7.1.17 Use of proceeds

the Borrower shall apply the Loan only for the purposes specified in clauses 1.1. and 2.5;

7.1.18 Filings

subject to any permissible extensions, the Borrower has filed all material tax and other fiscal returns required to be filed with any tax authority to which it is subject;

7.1.19 Office

the Borrower does not have an office in England;

7.1.20 Prohibited Persons, unlawful activity

(a) none of the Group Members are a Prohibited Person; and

- (b) to the best of its knowledge, no title in any property or other assets subject to an Encumbrance created by a Loan Document has been obtained in breach of any existing applicable law, statute, rule or regulation;

7.1.21 Insolvency

none of the Security Parties is unable or has admitted inability to pay its debts as they fall due, has suspended making payments on any of its debts or has announced an intention to do so, is or has become insolvent; or, save as disclosed to the Lender prior to the Effective Date, or has suffered the declaration of a moratorium in respect of any of its Indebtedness;

7.1.22 Sanctions

no Security Party nor any director, officer, agent, employee of any Security Party or any person acting on behalf of any Security Party, is a Prohibited Person nor acts directly or indirectly on behalf of a Prohibited Person; and

7.2 **Repetition of representations and warranties**

On the Effective Date and on each Interest Payment Date, the Borrower shall be deemed to repeat the representations and warranties in clause 7.1 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day.

8 **UNDERTAKINGS**

8.1 **General**

The Borrower undertakes with the Lender that, from the Effective Date until the end of the Facility Period, it will:

8.1.1 Notice of Default and Proceedings

promptly inform (and any public filing of the Borrower containing the relevant information about the matters hereafter described shall constitute compliance with this covenant to inform) the Lender of (a) when required under the Second Secured Indenture, any Default (including the occurrence of any Event of Default under (and as defined in) the Second Secured Indenture, in which case the Borrower shall also provide to the Lender copies of all demands or notices made in connection therewith) and of any other circumstances or occurrence which might materially and adversely affect the ability of the Borrower to perform its obligations under any

of the Loan Documents and (b) as soon as the same is instituted or formally threatened in writing, details of any Proceedings involving the Borrower which could have a Material Adverse Effect on the Borrower and will from time to time, if so reasonably requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no Default has occurred and is continuing and no such Proceedings are on foot or have been formally threatened in writing;

8.1.2 Authorisation

obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Lender, upon request, with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary under any applicable law for the continued due performance of all the obligations of the Security Parties under each of the Loan Documents;

8.1.3 Corporate Existence/Ownership

ensure that each Security Party maintains its corporate existence as a body corporate duly organised and validly existing and in good standing under the laws of the Pertinent Jurisdiction and ensure that the Borrower is owned and controlled, directly or through other companies, by the persons disclosed to the Lender prior to the date hereof;

8.1.4 Use of proceeds

use the Loan exclusively for the purposes specified in clauses 1.1 and 2.5; and

8.1.5 Pari passu

ensure that its obligations under this Agreement shall at all times rank at least pari passu with all its present and future unsecured and unsubordinated Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;

8.1.6 Financial statements

provide the Lender (or procure that is provided):

- (a) as soon as possible, but in no event later than 180 days after the end of each of its financial years, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Lender) consolidated balance sheet and profit and loss accounts of the Borrower (commencing with the financial year ending 31 December 2021) and public filing in respect of the Borrower shall constitute delivery;

- (b) as soon as possible, but in no event later than 90 days after the end of each of its 6-month period ending on 30 June of each financial year, commencing with the 6-month period ending on 30 June 2022, the Borrower's unaudited consolidated balance sheet and profit and loss accounts for that 6 month period certified as to their correctness by its chief financial officer;
- (c) prior to the start of each of its financial years, an annual forecast in respect of the Borrower;
- (d) details of any litigation, arbitration, administrative proceedings, Default and any other events or circumstances which are likely to have a Material Adverse Effect on the Borrower;

8.1.7 Compliance Certificates

deliver to the Lender on the dates on which the financial statements must be delivered to the Lender under clause 8.1.6(b), a Compliance Certificate and such other supporting information as the Lender may reasonably require;

8.1.8 Provision of further information

provide the Lender with such financial or other information concerning the Borrower, all vessels (including those under construction) owned, acquired, sold or managed by any Group Member, or any of its Subsidiaries, including, commitments, financial standing, operations and in relation to Borrowed Moneys, repayment of Borrowed Money, as the Lender may from time to time reasonably require;

8.1.9 Compliance with laws and payment of taxes

comply in all material respects with all relevant applicable laws, statutes, directives, decrees, rulings and analogous rules (including, but not limited to, those relating to Sanctions) and regulations (other than in the case of Sanctions) where failure to do so would be reasonably likely to have a Material Adverse Effect and pay all taxes for which it is liable as they fall due unless disputed in good faith;

8.1.10 Second Secured Indenture

prior to the Second Secured Indenture Repayment Date, comply with all of its obligations under the Second Secured Indenture;

8.1.11 Sanctions

will not and will use reasonable endeavours to ensure that no Group Member does, conduct or undertake any business:

(a) in breach of any Sanctions of:

- (i) the United Nations Security Council;
- (ii) the European Union;
- (iii) the United Kingdom;
- (iv) the United States of America; or
- (v) the Marshall Islands

as they apply to their members or nationals; or

- (b) in any trade, carriage of goods or business which is forbidden by the laws of the United Kingdom or the United States of America as they apply to their members or nationals, or any law applicable to the Borrower; or
- (c) in carrying illicit or prohibited goods; or
- (d) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (e) to the knowledge of the Borrower, by or for the benefit of a Prohibited Person;

8.1.12 Delivery of reports

deliver to the Lender upon request a copy of each report, circular, notice or like document issued by the Borrower to its shareholders or creditors generally;

8.2 Negative undertakings

The Borrower undertakes with the Lender that, from the Effective Date until the end of the Facility Period, it will not, without the prior written consent of the Lender:

8.2.1 Negative pledge

permit any Encumbrance (other than (i) a Permitted Encumbrance or (ii) as otherwise disclosed (x) in writing by the Borrower to the Lender or (y) in public filings, in each case of sub-clauses (x) and (y), on or prior to the date of this Agreement) to subsist, arise or be created or extended over any shares owned by the Borrower to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;

8.2.2 No merger or transfer

merge or consolidate with or into or directly or indirectly sell all or substantially all of its properties and assets to any other person (a “**successor person**”) unless: (i) the Borrower is the surviving person; and (ii) immediately after giving effect to the transaction, no Event of Default (or any event which is, or after notice or passage of time or both would be, an Event of Default), shall have occurred and be continuing;

8.2.3 Financial Indebtedness

incur, and will not permit any Security Party to incur, any Financial Indebtedness without the Lender’s consent other than (i) Financial Indebtedness under the New Facility Agreements; and (ii) Financial Indebtedness incurred in the ordinary course of business with respect to performance bonds, surety, statutory, customs and appeal bonds, bid bonds, completion guarantees and similar obligations, including with respect to letters of credit supporting such obligations; provided that no Financial Indebtedness of Navios Logistics and its direct or indirect subsidiaries shall be prohibited hereunder.

8.2.4 Prohibited Persons

have, and shall use reasonable endeavours to procure that no Group Member will have, any course of dealings, directly or indirectly, with any Prohibited Person.

8.2.5 Dividends

declare or pay dividends except for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such declaration and/or payment;

8.2.6 Investments and payments

make investments and payments except for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such investment/or payment.

8.3 **Second Secured Indenture**

On the date on which all sums due and payable under the Second Secured Indenture are paid and any encumbrance granted in connection therewith over any asset is released, there may be granted to the Lender as security for other loan facilities, Encumbrances (“**New Security**”) over assets that are the subject of the NMM Partnership Interests Pledge B, the GP LLC Interests Pledge, the Navios Logistics Share Pledge and any other documents designated by the Borrower and the Lender and if there is, the Borrower shall procure that on the Lender’s request, the relevant Security Parties enter into and execute such documentation as the Lender may reasonably require in order to give the New Security first priority ahead of such said Security Documents.

8.4 **Second Secured Indenture**

Save as otherwise expressly provided in clause 8.2, any other terms or transactions or events permitted by the Second Secured Indenture shall be deemed to be permitted under this Agreement for the period up to, but not following the Second Secured Indenture Repayment Date.

9 **CONDITIONS**

9.1 **Advance: Documents and evidence**

The Lender’s obligation to make available an Advance is subject to the following conditions precedent:

9.1.1 the representations and warranties contained in clause 7.1 being then true and correct (giving effect to any materiality qualifiers set forth therein) as if each was made with respect to the facts and circumstances existing at such time;

9.1.2 no Default shall have occurred and be continuing and no Default would result from the advance of that Advance; and

9.1.3 There has occurred nothing since the Effective Date which would have a Material Adverse Effect.

9.2 **Waiver of conditions precedent**

The conditions specified in this clause 9 are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part and with or without conditions.

10 **EVENTS OF DEFAULT**

10.1 **Events**

Each of the following events shall constitute an Event of Default (whether such event shall occur voluntarily or involuntarily or by operation of law or regulation or in connection with any judgment, decree or order of any court or other authority or otherwise, howsoever):

- 10.1.1 **Non-payment:** the Borrower fails to pay any sum payable by it under any of the Loan Documents at the time, in the currency and in the manner stipulated in the Loan Documents (and so that, for this purpose, sums payable (i) under clause 4.1 shall be treated as having been paid at the stipulated time if (a) received by the Lender within five (5) days of the dates therein referred to and (b) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within five (5) Banking Days of demand); or
- 10.1.2 **Breach of other obligations:** any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Loan Documents (other than those referred to in clause 10.1.1 above) unless such breach or omission, in the reasonable opinion of the Lender is capable of remedy, in which case the same shall constitute an Event of Default if it has not been remedied within thirty (30) Banking Days of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of the occurrence thereof; or
- 10.1.3 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Loan Documents or in any notice, certificate or statement referred to in or delivered under any of the Loan Documents is or proves to have been incorrect or misleading in any material respect unless the circumstances giving rise to the misrepresentation are in the reasonable opinion of the Lender capable of remedy and are remedied within thirty (30) Banking Days of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of, the occurrence thereof; or

- 10.1.4 **Cross-default:** any Indebtedness of the Borrower (which is not intra group or subordinated debt) in excess of USD10,000,000 is not paid when due (subject to applicable grace periods) or any Indebtedness of the Borrower becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by the Borrower of a voluntary right of prepayment), or any creditor of the Borrower becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to the Borrower relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned (unless the relevant creditor has granted to the Borrower a waiver in respect thereof) ; or
- 10.1.5 **Execution:** any uninsured judgment or order made against the Borrower in an amount in excess of USD30,000,000 is not stayed, appealed against or complied with within twenty (20) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of the Borrower and is not discharged within thirty (30) days; or
- 10.1.6 **Insolvency:** the Borrower is unable or admits inability to pay its debts as they fall due; suspends making payments on all or substantially all of its debts or announces an intention to do so; becomes insolvent; or suffers the declaration of a moratorium in respect of all or substantially all of its Indebtedness; or
- 10.1.7 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up the Borrower or an order is made or resolution passed for the dissolution or winding up of the Borrower; or
- 10.1.8 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party or an administration order is made in relation to any Security Party; or
- 10.1.9 **Appointment of receivers and managers:** any administrative or other receiver is appointed anywhere of any Security Party or any part of its assets and/or undertaking or any other steps are taken to enforce any Encumbrance over all or any part of the assets of any Security Party; or

- 10.1.10 **Compositions:** any corporate action, legal proceedings or other procedures are taken, by the Borrower or by any of its creditors with a view to the general readjustment or rescheduling of all or substantially all of its Indebtedness, or to proposing any kind of composition, compromise or arrangement involving such company and all or substantially all of its creditors; or
- 10.1.11 **Analogous proceedings:** there occurs, in relation to a Security Party, in any country or territory in which it carries on business or to the jurisdiction of whose courts any part of its assets is subject, any event which, in the reasonable opinion of the Lender, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.10 (inclusive) in respect of the Borrower or the Borrower otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or
- 10.1.12 **Cessation of business:** any Security Party suspends or ceases to carry on its business; or
- 10.1.13 **Seizure:** all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, the Borrower are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government entity; or
- 10.1.14 **Invalidity:** any of the Loan Documents shall, other than as a result of any act or omission of the Lender, at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Loan Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any Security Party shall deny that it has any, or any further, liability thereunder; or
- 10.1.15 **Unlawfulness:** any Unlawfulness occurs or it becomes impossible or unlawful at any time for any Security Party, to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Loan Documents or for the Lender to exercise the rights or any of them vested in it under any of the Loan Documents or otherwise; or
- 10.1.16 **Repudiation:** any Security Party repudiates any of the Security Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Security Documents; or
- 10.1.17 **Encumbrances enforceable:** any Encumbrance (other than Permitted Encumbrances) in respect of any of the property (or part thereof) which is the subject of any of the Security Documents becomes enforceable; or

- 10.1.18 **Material events:** any other event occurs or circumstance arises which, in the reasonable opinion of the Lender, is likely to have a Material Adverse Effect or, if such event or circumstance is capable of remedy it is not remedied within 15 Banking Days of the earlier of (i) the Lender notifying the Borrower of such event or (ii) the Borrower becoming aware of the same; or
- 10.1.19 **Litigation:** any Proceedings are current, pending or threatened against any of the Security Parties which could have a Material Adverse Effect; or
- 10.1.20 **Required Authorisations:** any Required Authorisation is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect or if any exchange control or other law or regulation shall exist which would make any transaction under the Loan Documents or the continuation thereof, unlawful or would prevent the performance by any Security Party of any term of any of the Loan Documents;
- 10.1.21 **Change of Control:** without the prior written consent of the Lender, the Designated Shareholders fail to, either individually or together, be the ultimate beneficial owner(s) of, or have ultimate control of the voting rights attaching to, at least 10 per cent of all of the outstanding voting shares in the Borrower (other than as a result of a sale by the Designated Shareholders) (a “**Change of Control**”);
- 10.1.22 **Money Laundering:** any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat “money laundering” as defined in Article 1 of the Directive (91/308 EEC) of the Council of the European Communities.

10.2 **Acceleration**

The Lender may, without prejudice to any other rights of the Lender, at any time after the occurrence of an Event of Default so long as the same is continuing by notice to the Borrower:

- 10.2.1 declare that the obligation of the Lender to make the Commitment available shall be terminated, whereupon the Commitment shall immediately be cancelled; and/or
- 10.2.2 declare that the Loan and all interest accrued and all other sums payable whensoever under the Loan Documents have become due and payable, whereupon the same shall, immediately or in otherwise accordance with the terms of such notice, become due and payable; and/or
- 10.2.3 exercise any or all of its rights, remedies, powers or discretions under the Loan Documents.

10.3 Payments on Acceleration

in respect of any payment made under or pursuant to Clause 10.2, Clause 4.4.3 applies.

10.4 Demand basis

If, under clause 10.2.2, the Lender has declared the Loan to be due and payable on demand, at any time thereafter the Lender may by further notice to the Borrower demand repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable accordingly with all interest accrued and all other sums payable under this Agreement.

11 INDEMNITIES

11.1 General indemnity

The Borrower agrees to indemnify the Lender on demand, without prejudice to any of the Lender's other rights under any of the Loan Documents, against any loss (including loss of interest), cost or expense which the Lender shall certify as sustained at any time by it in connection with this Agreement, including (without limitation) any such loss, cost or expense arising from any action, claim, suit or proceeding directly or indirectly related to this Agreement, the other Loan Documents or the Loan (excluding any default by the Lender determined by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or wilful misconduct of the Lender or (ii) a material breach of the Loan Documents by the Lender).

12 UNLAWFULNESS AND INCREASED COST MITIGATION

12.1 Unlawfulness

Regardless of any other provision of this Agreement, in the event that the Lender notifies the Borrower that by reason of:

- (a) the introduction of or any change in any applicable law or regulation or any change in the interpretation or application thereof; or
- (b) compliance by the Lender with any directive, request or requirement (whether or not having the force of law) of any central bank or government entity

it becomes unlawful or it is prohibited by or contrary to such directive request or requirement for the Lender to maintain or give effect to any of its obligations in connection howsoever with this Agreement then (i) the Commitment shall be reduced to zero and (ii) the Borrower shall be obliged to prepay the Loan either immediately or on a future date (specified in the Lender's notice) not being earlier than the latest date permitted by the relevant law, regulation, directive, request or requirement with interest and commitment commission accrued to the date of prepayment and all other sums payable whensoever by the Borrower under this Agreement.

12.2 **Increased costs**

If the Lender certifies to the Borrower that at any time the effect of any applicable law, regulation or regulatory requirements or the interpretation or application thereof or any change therein is to:

- 12.2.1 subject the Lender to Taxes or change the basis of Taxation of the Lender relating to any payment under any of the Loan Documents (other than Taxes or Taxation on the overall net income of the Lender imposed in the jurisdiction in which its principal or lending office under this Agreement is located); and/or
- 12.2.2 increase the cost to, or impose an additional cost on, the Lender in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or
- 12.2.3 reduce the amount payable or the effective return to the Lender under any of the Loan Documents; and/or
- 12.2.4 require the Lender to make a payment or forgo a return on or calculated by reference to any amount received or receivable by the Lender under any of the Loan Documents; and/or

then and in each such case (subject to clause 12.3) the Borrower must on demand either:

- (a) pay to the Lender the amount which the Lender certifies (in a certificate setting forth the basis of the computation of such amount but not including any matters which the Lender or its holding company regards as confidential) is required to compensate the Lender for such liability to Taxes, cost, reduction, payment, forgone return or loss; or
- (b) prepay the Loan, in respect of which prepayment the terms of clause 4.3 shall apply.

12.3 Exception

Nothing in clause 12.2 shall entitle the Lender to receive any amount relating to compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under clause 5.3, 5.4 or 6.5.

13 SECURITY, SET-OFF AND MISCELLANEOUS

13.1 Application of moneys

All moneys received by the Lender under or pursuant to any of the Loan Documents and expressed to be applicable in accordance with the provisions of this clause 13.1 shall be applied by the Lender as follows:

- 13.1.1 first in or toward payment of all unpaid expenses, sums which have been demanded by way of indemnity and expenses which may be owing to the Lender under any of the Loan Documents;
- 13.1.2 secondly in or towards payment of any arrears of interest owing in respect of the Loan or any part thereof;
- 13.1.3 thirdly in or towards repayment of the Loan (whether the same is due and payable or not);
- 13.1.4 fourthly in or towards payment to the Lender of any other sums which the Lender certifies are owing to it under any of the Loan Documents; and
- 13.1.5 fifthly the surplus (if any) shall be paid to the Borrower.

13.2 Further assurance

The Borrower will, at its expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the reasonable opinion of the Lender may be necessary or desirable for perfecting the security contemplated or constituted by the Loan Documents.

13.3 Conflicts

In the event of any conflict between this Agreement and any of the other Loan Documents executed by the Borrower, the provisions of this Agreement shall prevail.

13.4 No implied waivers, remedies cumulative

No failure or delay on the part of the Lender to exercise any power, right or remedy under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Loan Documents are cumulative and are not exclusive of any remedies provided by law. No waiver by the Lender shall be effective unless it is in writing.

13.5 Severability

If any provision of this Agreement is prohibited, invalid, illegal or unenforceable in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect or impair howsoever the remaining provisions thereof or affect the validity, legality or enforceability of such provision in any other jurisdiction.

13.6 Force Majeure

Regardless of any other provision of this Agreement the Lender shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority, (ii) any strike, lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon the Lender or any of its representatives or employees), (iii) any act of God, (iv) any act of war (whether declared or not) or terrorism, (v) any failure of any information technology or other operational systems or equipment affecting the Lender or (vi) any other circumstances whatsoever outside the Lender's control; provided that, the foregoing shall not apply to any failure to fund the Advances on or prior to Second Secured Indenture Repayment Date.

13.7 Amendments

This Agreement may be amended or varied only by an instrument in writing executed by both parties hereto who irrevocably agree that the provisions of this clause 13.7 may not be waived or modified except by an instrument in writing to that effect signed by both of them.

13.8 Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement which may be sufficiently evidenced by one counterpart.

13.9 **English language**

All documents required to be delivered under and/or supplied whensoever in connection howsoever with any of the Loan Documents and all notices, communications, information and other written material whatsoever given or provided in connection howsoever therewith must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Lender.

14 **ASSIGNMENT, TRANSFER AND DISCLOSURE**

14.1 **Benefit and burden**

This Agreement shall be binding upon, and ensure for the benefit of, the Lender and the Borrower and their respective successors.

14.2 **No assignment by Borrower**

The Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lender. Neither the Borrower nor any affiliate of the Borrower may become a Lender or a sub-participant.

14.3 **Assignment by Lender**

The Lender may not assign, sell or sub-participate all or any part of its rights under any Loan Document except (i) to a wholly-owned Subsidiary or controlled (or under common control) affiliate of the Lender, (ii) during the occurrence of an Event of Default, to any Subsidiary or affiliate of the Lender or (iii) with the prior written consent of the Borrower. The Lender, acting solely for this purpose as an agent of the Borrower, shall maintain a register for the recordation of the names and addresses of any such assignee or participant of the Lender, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each such assignee or participant pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Lender, and any such assignee or participant of Lender shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Lender and any such assignee or participant of the Lender, at any reasonable time and from time to time upon reasonable prior notice. It is the intention that this Agreement be treated as a registered obligation and in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder.

14.4 **Disclosure of information**

The Lender may disclose to a prospective assignee, transferee or to any other person who may propose entering into contractual relations with the Lender in relation to this Agreement such information about or in connection with any of the Security Parties and the Loan Documents as the Lender considers appropriate, provided that the Lender shall consult with the Borrower prior to disclosing (i) any such information which is not public or contained in the Agreement and/or (ii) any documentation other than a copy of this Agreement or any other Security Document.

15 **NOTICES**

15.1 **General**

15.1.1 unless otherwise specifically provided herein, every notice under or in connection with this Agreement shall be given in English by letter delivered personally and/or sent by post and/or transmitted by email;

15.1.2 in this clause "notice" includes any demand, consent, authorisation, approval, instruction, certificate, request, waiver or other communication.

15.2 **Addresses for communications, effective date of notices**

15.2.1 Subject to clause 15.2.2 notices to the Borrower shall be deemed to have been given and shall take effect when received in full legible form by the Borrower at the address and/or the email address appearing below (or at such other address or email address as the Borrower may hereafter specify for such purpose to the Lender by notice in writing);

Address: Strathvale House, 90 N Church Street,

P.O. Box 309, Grand Cayman,

KY1-1104 Cayman Islands

email address: lwebster@navios.com

notwithstanding the provisions of this clause 15.2.1, a notice of Default and/or a notice given pursuant to clause 10.2 shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Lender to the Borrower to the address or email address referred to in this clause 15.2.1;

15.2.2 notices to the Lender shall be deemed to be given, and shall take effect, when received in full legible form by the Lender at the address and/or the email address appearing below (or at any such other address or email address as the Lender may hereafter specify for such purpose to the Borrower by notice in writing);

Address: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH 96960, Marshall Islands

e-mail: nsmfinance@navios.com

if under clause 15.2.1 or this clause 15.2.2 a notice would be deemed to have been given and effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

16 GOVERNING LAW

16.1 Law

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law.

17 JURISDICTION

17.1 Exclusive jurisdiction

Subject to clause 17.4 below, the Borrower and the Lender hereby irrevocably agree that the courts of England shall have exclusive jurisdiction:

17.1.1 to settle any disputes or other matters whatsoever arising under or in connection with this Agreement (or any non-contractual obligation arising out of or in connection with this Agreement) and any disputes or other such matters arising in connection with the negotiation, validity or enforceability of this Agreement or any part thereof, whether the alleged liability shall arise under the laws of England or under the laws of some other country and regardless of whether a particular cause of action may successfully be brought in the English courts; and

17.1.2 to grant interim remedies or other provisional or protective relief.

17.2 Submission and service of process

Subject to clause 17.4 below, the Borrower and the Lender accordingly irrevocably and unconditionally submit to the jurisdiction of the English courts. Without prejudice to any other mode of service the Borrower:

- 17.2.1 irrevocably empowers and appoints Messrs Hill Dickinson Services (London) Ltd at present of The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW, England as its agent to receive and accept on its behalf any process or other document relating to any proceedings before the English courts in connection with this Agreement;
- 17.2.2 agrees to maintain such an agent for service of process in England from the date hereof until the end of the Facility Period;
- 17.2.3 agrees that failure by a process agent to notify the Borrower of service of process will not invalidate the proceedings concerned;
- 17.2.4 without prejudice to the effectiveness of service of process on its agent under clause 17.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under clause 15.2;
- 17.2.5 agrees that if the appointment of any person mentioned in clause 17.2.1 ceases to be effective, the Borrower shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within seven (7) days the Lender shall thereupon be entitled and is hereby irrevocably authorised by the Borrower in those circumstances to appoint such person by notice to the Borrower.

17.3 Forum non conveniens and enforcement abroad

The Borrower and the Lender:

- 17.3.1 waive any right and agree not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within clause 17.1; and

17.3.2 agree that a final non-appealable judgment or order of an English court in a dispute or other matter falling within clause 17.1 shall be conclusive and binding on the Borrower and the Lender and may be enforced against them in the courts of any other jurisdiction.

17.4 Right of Lender, but not Borrower, to bring proceedings in any other jurisdiction

17.4.1 nothing in this clause 17 limits the right of the Lender to bring proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, including third party proceedings, against the Borrower, or to apply for interim remedies, in any other court and/or concurrently in more than one jurisdiction; and

17.4.2 the obtaining by the Lender of judgment in one jurisdiction shall not prevent the Lender from bringing or continuing proceedings in any other jurisdiction proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, whether or not these shall be founded on the same cause of action.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed on the date first above written.

BORROWER

SIGNED by /s/ Georgios Achnotis, Chief Financial Officer)
for and on behalf of)
NAVIOS MARITIME HOLDINGS INC.)

LENDER

SIGNED by /s/ Sofia Tavla, Attorney-in-fact)
for and on behalf of)
NAVIOS SHIPMANAGEMENT)
HOLDINGS CORPORATION)

Date 13 December 2021

NAVIOS MARITIME HOLDINGS INC. (1)
as Borrower

-and-

NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION (2)
as Lender

**AMENDING AND RESTATING AGREEMENT RELATING TO A
LOAN AGREEMENT DATED 29 June 2021**

**in relation to a Loan Agreement
dated 29 June 2021**

Ince

PIRAEUS

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THIS AGREEMENT (this “**Agreement**”) is made on 13 December 2021

BETWEEN

- (1) **NAVIOS MARITIME HOLDINGS INC.**, a corporation incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, as borrower (hereinafter called, the “**Borrower**”); and
- (2) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION** a corporation incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, as lender (hereinafter called, the “**Lender**”).

BACKGROUND

- (A) By a loan agreement dated 29 June 2021 (the “**Original Loan Agreement**”) and made between (1) the Borrower as borrower and (2) the Lender as lender, the Lender made available to the Borrower a term loan facility of up to US\$115,000,000 upon the terms and for the purposes therein specified.
- (B) (1) As security for the Borrower’s obligations under the Original Loan Agreement the following (amongst others) security documents have been executed in favour of the Lender (the “**Released Security Documents**”):
 - (a) the Borrowers’ Account Pledge;
 - (b) the Collateral Account Pledge;
 - (c) the Collateral Guarantor’s Shares Pledge;
 - (d) the Collateral Guarantee;
 - (e) the Mortgage;
 - (f) the Assignment of Earnings and Insurances;
 - (g) the Bareboat Charterers’ Shares Pledges;
 - (h) the NNA Shares Pledge A;
 - (i) the NNA Shares Pledge B;
 - (j) the Owners’ Shares Pledges;each as defined in the Original Loan Agreement.
- (2) As security for the Borrower’s obligations under the Original Loan Agreement, the following security documents have been executed in favour of the Lender and shall remain in full force and effect following the occurrence of the Effective Date to secure the obligations under the Amended and Restated Loan Agreement:
 - (a) the GP Interests Pledge;

- (b) the Navios Logistics Share Pledge;
- (c) the NMM Partnership Interests Pledge A;
- (d) the NMM Partnership Interests Pledge B;
- (e) the NMM Partnership Interests Pledge C;
- (f) the Securities Account Pledge; and
- (g) the Guarantee

each as defined in the Original Loan Agreement.

- (C) The Borrower has requested that the Lender to give its consent to the following (together, the “**Requests**”):
 - (a) release of the Released Security Documents including the collateral granted under such Released Security Documents;
 - (b) release from the Securities Account of NM Shipmortgage notes held therein; and
 - (c) amendment of the Original Loan Agreement on the terms of the Amended and Restated Agreement (as hereinafter defined).
- (D) This Agreement sets out the terms and conditions on which the Lender agrees, with effect on and from the Effective Date (as hereinafter defined), to the requests of the Borrower set out in Recital (C) and to the consequential amendments to the Original Loan Agreement.

IT IS AGREED as follows:

1 **INTERPRETATION**

- 1.1 **Defined expressions.** Words and expressions defined in the Amended and Restated Loan Agreement shall have the same meaning when used in this Agreement unless the context otherwise requires.

- 1.2 **Definitions.** In this Agreement, unless the contrary intention appears:

“**Amended and Restated Loan Agreement**” means the Original Loan Agreement, as amended and restated by this Agreement, the terms of which are set out in the Appendix (*Amended and Restated Loan Agreement*).

“**Effective Date**” means the first Banking Day on which all the conditions precedent referred to in Clause 3.1 have been fulfilled by the Borrower.

“**New Facility Agreements**” means together (a) a facility agreement made or to be made between (i) the Borrower (as borrower) and (ii) HCOB (as lender) for a loan of up to USD105,000,000 and (b) one facility agreements made or to be made between (i) the Borrower (as borrower) and (ii) CACIB/BNP (as lender) for a loan of up to USD105,000,000 and in the singular means any of them and (c) (x) an amending and restating agreement in respect of a loan agreement dated 29 August 2019 made between (i) the Borrower as borrower and (ii) the Lender as lender and (y) the loan agreement amended and restated thereby, in respect of a term loan facility of up to US\$127,632,195.

“Released Parties” means together, the parties other than the Lender to the Released Security Documents and in the singular means any one of them.

1.3 Incorporation of defined terms

- (a) Unless a contrary indication appears, a term defined in the Amended and Restated Loan Agreement, any Released Security Document or Security Document has the same meaning in this Agreement.
- (b) The principles of construction set out in the Amended and Restated Loan Agreement shall have effect as if set out in this Agreement.

1.4 Clauses

- (a) In this Agreement any reference to a “Clause” or “Appendix” is, unless the context otherwise requires, a reference to a Clause or the Appendix of this Agreement.
- (b) Clause and Appendix headings are for ease of reference only.

1.5 Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement except with respect to Section 4.2.

1.6 Designation

This Agreement is a Loan Document under the Amended and Restated Loan Agreement.

2 AMENDMENTS

With effect from the Effective Date the Original Loan Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in the Appendix (*Amended and Restated Loan Agreement*).

3 CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

3.1 Conditions Precedent. The conditions referred to in the definition of “Effective Date” are that the Lender shall have received the following:

3.1.1 Corporate documents

a certificate from a duly authorised officer of Alpha Merit and the Borrower confirming that, as of the Effective Date, none of the documents delivered to the Lender pursuant to paragraph (a) of schedule 2 of the Original Loan Agreement have been amended or modified in any way since the date of their delivery to the Lender, or in the alternative copies thereof, certified by a duly authorised officer of Alpha Merit and, as the case may be, the Borrower as true, complete, accurate and neither amended nor revoked, of any documents which have been amended or modified;

3.1.2 Corporate authorities

- (a) a list of directors and officers of each Security Party, specifying the names and positions of such persons, containing specimen signatures of each director and officer, certified by an officer of the relevant Security Party to be true, complete and up to date as of the Effective Date;
- (b) copies of resolutions of the directors of each Security Party approving this Agreement or, as the case may be, the NMM Partnership Interests Pledge C, the Convertible Debenture and/or the endorsement at the end of this Agreement, as applicable, and authorising the execution and delivery hereof and performance of such Security Party's obligations hereunder or thereunder, certified by an officer of the relevant Security Party as having been duly passed at a duly convened meeting of its directors and shareholders of, and not having been amended, modified or revoked and being in full force and effect;
- (c) an original of any power of attorney issued by each Security Party pursuant to such resolutions stated above;

3.1.3 NMM Partnership Interests Pledge C

NMM Partnership Interests Pledge C duly executed by Alpha Merit, together with all documents required to be delivered pursuant to the terms thereof;

3.1.4 Endorsement

the endorsement at the end of this Agreement signed by each Security Party (other than the Borrower);

3.1.5 Required Authorizations

a certificate issued by the Borrower that there are no Required Authorizations or that there are no Required Authorisations except those described in such certificate which have been duly obtained and certified copies of which (including any documents ancillary thereto) are appended thereto;

3.1.6 Convertible Debenture

duly executed and delivered copies of the Convertible Debenture;

3.1.7 New Facility Agreements

copies of the New Facility Agreements;

3.1.8 Representations and Warranties

a certificate issued by the Borrower certifying that the representations and warranties in Clause 7 of the Amended and Restated Loan Agreement, updated with appropriate modifications to refer to this Agreement, remain true and not misleading (giving effect to any materiality qualifiers set forth therein) if repeated on the date of this Agreement with reference to the circumstances now existing.

3.2 **Condition Subsequent.** The Borrower shall deliver or cause to be delivered to the Lender on, or as soon as practicable after, the Effective Date, documentary evidence that the agent for service of process named in Clause 18.2.1 of the Original Loan Agreement or another agent for service of process reasonably acceptable to the Lender has accepted its appointment in respect of the Amended and Restated Loan Agreement and the other Loan Documents.

4 **AMENDMENTS TO LOAN AGREEMENT AND OTHER SECURITY DOCUMENTS**

4.1 **Security Documents.** With effect on and from the Effective Date each of the Security Documents shall be, and shall be deemed by this Agreement to be, amended so that the definition of, and references throughout each of the Security Documents to, the Original Loan Agreement and any of the other Security Documents shall be construed as if the same referred to the Amended and Restated Loan Agreement and those Security Documents as amended and supplemented by this Agreement.

The Security Documents shall remain in full force and effect as security for the Outstanding Indebtedness (as defined therein), as amended and supplemented by such further or consequential modifications as may be necessary to give full effect to the terms of this Agreement.

4.2 **Release of Released Parties**

With effect on and from the Effective Date and without prejudice to the obligations of the Borrower under the Loan Agreement the Lender hereby:

- (a) releases and discharges each Released Party from all its obligations under the Released Security Documents and terminates the Released Security Documents with the exception of any indemnities contained in any of the Released Security Documents which are expressly stated to survive;
- (b) reassigns and releases to each Released Party all its right, title and interest in, to and under all the property granted or assigned to the Lender or charged in favour of the Lender under the Released Security Documents including, without limitation, any insurances and the proceeds thereof; and
- (c) agrees to, at the Borrower's expense, execute, sign, and do any and every such further notice, assurance, document, act or thing as may be necessary or desirable to evidence the release contemplated or constituted by this Section 4.2.

The Lender makes and gives no representation, warranty or covenant in relation to the property reassigned herein except that they have not assigned, charged or granted another security interest in respect of that property.

The Lender also agrees that as of the Effective Date the Borrower may withdraw from the Securities Account NM Shipmortgage notes held therein, and it is agreed that the Securities Account Pledge shall remain in full force and effect after any such withdrawal.

5 **FURTHER ASSURANCES**

5.1 **Borrower to execute further documents etc.** The Borrower shall:

- (a) execute and deliver to the Lender (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Lender may, in any particular case, reasonably specify; and
- (b) effect any registration or notarisation, give any notice or take any other step, which the Lender may, by notice to the Borrower or other party, reasonably specify

for any of the purposes described in Clause 5.2 or for any similar or related purpose.

5.2 **Purposes of further assurances.** Those purposes are:

- (a) validly and effectively to create any security interest or right of any kind which the Lender intended should be created by or pursuant to the Amended and Restated Loan Agreement or any other Security Document, each as amended and supplemented by this Agreement; and
- (b) implementing the terms and provisions of this Agreement.

5.3 **Obligation to comply with notice.** The Borrower shall comply with a notice under Clause 5.1 by the date reasonably specified in the notice (or such later date as agreed to in writing by the Lender).

5.4 **Additional corporate action.** At the same time as the Borrower or any other party deliver to the Lender any document executed under Clause 5.1(a), the Borrower or such other party shall also deliver to the Lender a certificate signed by the Borrower's directors, or 2 of that other party's directors which shall:

- (a) set out the text of resolutions of the Borrower or that other party's directors specifically authorising the execution of the document specified by the Lender; and
- (b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Borrower's or that other party's articles of association or other constitutional documents.

6 **FEES AND EXPENSES**

6.1 **Fees and Expenses.** The provisions of Clause 5 (*Fees and expenses*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

7 **NOTICES**

General. The provisions of Clause 16 (*Notices*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

8 **SUPPLEMENTAL**

8.1 **Counterparts.** This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9 **LAW AND JURISDICTION**

Application of the Amended and Restated Loan Agreement provisions. This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law. The provisions of Clause 18 (*Jurisdiction*) of the Amended and Restated Loan Agreement shall apply to this Agreement as if they were expressly set out in this Agreement with any necessary modifications.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed as a deed on the date first above written.

THE BORROWER

SIGNED and delivered as a Deed)
by /s/ Georgios Achniotis)
for and on behalf of)
NAVIOS MARITIME HOLDINGS INC.)
as attorney-in-fact)
Witnessed by:)

Signature /s/ Maria Trivela
Name: Maria Trivela
Address: Akti Miaouli 85, Piraeus

THE LENDER

SIGNED and delivered as a Deed by)
and by /s/ Sofia Tavla)
for and on behalf of)
NAVIOS SHIPMANAGEMENT)
HOLDINGS CORPORATION)
Witnessed by:)

Signature /s/ Maria Trivela
Name: Maria Trivela
Address: Akti Miaouli 85, Piraeus

NEITHER THIS DEBENTURE NOR THE SECURITIES INTO WHICH THIS DEBENTURE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN ISSUED OR SOLD TO THE HOLDER HEREOF IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

NAVIOS MARITIME HOLDINGS INC.

CONVERTIBLE DEBENTURE

Issuance Date: [•], 2021¹

Original Principal Amount:

\$ 24,000,000.00

No. NM - [•]

FOR VALUE RECEIVED, NAVIOS MARITIME HOLDINGS INC., a corporation incorporated under the laws of the Republic of the Marshall Islands (the “**Company**”), hereby promises to pay to Navios Shipmanagement Holdings Corporation or its registered and permitted assigns (the “**Holder**”) the amount set out above as the Original Principal Amount, as the same may be reduced pursuant to the terms hereof upon conversion or otherwise, or increased pursuant to the terms hereof contemplating payment of PIK Interest (as defined below) or Loan Agreement Increase Events (as defined below) (as so reduced or increased, the “**Principal Amount**”) when due, on the Maturity Date (as defined below), upon acceleration or otherwise (in each case in accordance with the terms hereof) and to pay interest (the “**Interest**”) on any outstanding Principal Amount at the applicable Interest Rate (as defined below) from the date set out above as the Issuance Date (the “**Issuance Date**”) until the same becomes due and payable, whether upon the Maturity Date, acceleration, conversion or otherwise (in each case in accordance with the terms hereof).

This Convertible Debenture (including all Convertible Debentures issued in exchange, transfer or replacement hereof, this “**Debenture**”) is issued pursuant to the terms of the Loan Agreement originally entered into between the Company and the Holder on August 29, 2019, as amended and restated on December 13, 2021 (the “**Amended and Restated 2019 Loan Agreement**”) and the Loan Agreement originally entered into on June 29, 2021, as amended and restated on December 13, 2021 (the “**Amended and Restated 2021 Loan Agreement**”) and, together, the “**Loan Agreements**”). All capitalized terms used in this Debenture but not otherwise defined herein have the meanings set forth in Section 7.

SECTION 1 - GENERAL TERMS

(a) Payment of Principal Amount.

On the Maturity Date, the Company shall pay the Holder an amount in immediately available funds denominated in United States dollars representing all the outstanding Principal Amount and accrued and unpaid Interest to but excluding such date. The “**Maturity Date**” shall be [•], 2026 or such later date requested by the Company as the Holder may agree in its absolute discretion. Other than as expressly permitted by this Debenture, the Company may not prepay or redeem any portion of the outstanding Principal Amount without the prior written consent of the Holder.

(b) Loan Agreement Increase Events.

Upon the happening of any event or circumstance subsequent to the Issuance Date pursuant to which, under the terms of either or both Loan Agreements, the Principal Amount of this Debenture shall be deemed to be increased (including but not limited to as a result of the election by the Company to not pay all or a portion of the interest due in cash under either or both such Loan Agreements) (each, a “**Loan Agreement Increase Event**”), the Principal Amount of this Debenture shall be deemed increased by the principal amount contemplated as of the relevant date under the terms of the applicable Loan Agreement(s).

The Holder and the Company shall maintain records showing any such increases in the Principal Amount as a result of Loan Agreement Increase Events under this Section 1(b), as well as increases in the Principal Amount

¹ NTD: Issuance Date to be the the date on which the upfront fee is payable under the Fee Letter (i.e. Effective Date under the Amending and Restating Agreements to the Loan Agreements).

as a result of PIK Interest under Section 1(c), and decreases in the Principal Amount and Interest as a result of conversions pursuant to Sections 2 or 3, and the dates of any such increases or decreases, in order to facilitate conversions of this Debenture from time to time pursuant to its terms without physical surrender.

(c) Interest.

Interest shall accrue daily on the outstanding balance of the Principal Amount at a rate equal to 4% per annum ("**Interest Rate**") from the Issuance Date to (but excluding) the Maturity Date (or sooner if upon conversion or acceleration by the Holder as provided herein). Interest will be payable quarterly in arrears on the same dates on which interest payments are due and payable under the Loan Agreements, in each case by adding the accrued amounts of Interest to the then outstanding Principal Amount due under this Debenture (the "**PIK Interest**"). Interest will be payable to the Holder or its registered and permitted assignee. Notwithstanding any other provision of this Debenture, Interest that is paid in the form of PIK Interest in the manner specified in this Section 3(c) shall be considered paid, and shall not be considered overdue. Interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed during the period.

(d) Non-Detachable Preferred Shares.

The Company has issued this Debenture as part of a unit with 1,000 shares of Series I Non-Economic Preferred Stock of the Company (the "**Series I Preference Shares**") reflecting the terms set forth in the Certificate of Designation, Preferences and Rights of the Series I Preference Shares of the Company. The Series I Preference Shares are not detachable from this Debenture and this Debenture (or, if less than the entire outstanding Principal Amount is to be sold, assigned or otherwise transferred, the relevant portion hereof) accordingly may not be sold, assigned or otherwise transferred except in conjunction with a simultaneous sale of (or, as applicable, a proportional portion of) the Series I Preference Shares.

SECTION 2 - EVENTS OF DEFAULT

(a) Event of Default.

An "**Event of Default**", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

- i. the Company's failure to pay to the Holder the Principal Amount or any other amounts when and as due under this Debenture;
- ii. if the Common Stock ceases to be quoted or listed for trading on the New York Stock Exchange (the "**Primary Market**") and shall not again be quoted or listed for trading within five (5) Trading Days of such delisting;
- iii. the Company's (A) failure to deliver the required number of shares of Common Stock within five (5) Business Days after the applicable Conversion Date or (B) repudiation by the Company, at any time, including by way of public announcement of its obligation to comply with a request for conversion of the Debenture into shares of Common Stock in accordance with the provisions of the Debenture, other than pursuant to Section 3(e);
- iv. the Company shall fail to observe or perform any other covenant, agreement or warranty contained in, or otherwise commit any breach or default of any provision of this Debenture (except as may be covered by Section 2(a)(i) through Section 2(a)(iii) hereof) which is not cured within thirty (30) Business Days of the Holder giving written notice to the Company of, or the Company becoming aware of the occurrence thereof;
- v. prior to the repayment of both Loan Agreements, an "Event of Default" has occurred and is continuing under either or both of the Loan Agreements;
- vi. following the repayment of both Loan Agreements, the Company or any significant subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) (a "**Significant Subsidiary**") of the Company shall commence, or there shall be commenced against the Company or any significant subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any

successor thereto, or the Company or any Significant Subsidiary of the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any Significant Subsidiary of the Company or there is commenced against the Company or any Significant Subsidiary of the Company any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of sixty one (61) days; or the Company or any Significant Subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any Significant Subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any Significant Subsidiary of the Company makes a general assignment for the benefit of creditors; or the Company or any Significant Subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any Significant Subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any Significant Subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any Significant Subsidiary of the Company for the purpose of effecting any of the foregoing; or

- vii. following the repayment of both Loan Agreements, without the prior written consent of the Holder, the Designated Shareholders fail to, either individually or together, be the ultimate beneficial owner(s) of, or have ultimate control of the voting rights attaching to, at least 10 per cent of all of the outstanding voting shares in the Company (other than as a result of a sale by the Designated Shareholders).

During the time that any portion of this Debenture is outstanding, if any Event of Default has occurred and is continuing, the full unpaid Principal Amount of this Debenture, together with interest and other amounts owing in respect thereof, to the date of acceleration shall become at the Holder's election, immediately due and payable in immediately available funds denominated in United States dollars; provided, however, the Holder may request (but shall have no obligation to request) payment of such amounts in Common Stock of the Company. If an Event of Default occurs and, following written notice from each Holder to the Company, for so long thereafter following such notice as such Event of Default remains uncured, without duplication of any default interest otherwise payable under the terms of the Loan Agreements, the Interest Rate on this Debenture shall immediately increase by 2% per annum in excess of the interest rate specified in Section 1(c) to the extent lawful and shall remain at such increased interest rate until the applicable Event of Default is cured. Furthermore, in addition to any other remedies, the Holder shall have the right (but not the obligation) to convert this Debenture at any time (x) after the occurrence and during the continuance of an Event of Default at the Conversion Price then in effect or (y) on or after the Maturity Date at the Conversion Price then in effect. The Holder need not provide and the Company hereby waives any presentment, demand, protest or other notice of any kind (other than required notice of conversion) and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by Holder at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 3 - CONVERSION OF DEBENTURE

This Debenture shall be convertible into shares of the Company's Common Stock, on the terms and conditions set forth in this Section 3.

(a) Conversion Right.

At any Trading Day on or after the Issuance Date, on one or more occasions, the Holder shall be entitled to convert, at its option, any Conversion Amount into fully paid and non-assessable shares of Common Stock in accordance with this Section 3.

(b) Mandatory Conversion.

At any time at or following the repayment in full of both Loan Agreements, if the VWAP per share of Common Stock is greater than the Mandatory Conversion Price for each of at least twenty (20) Trading Days in any period of thirty (30) consecutive Trading Days (such thirty (30) consecutive Trading Day period, the "Trading Period"), the Company may elect to convert (a "Mandatory Conversion") the entire Principal Amount and accrued Interest (to but excluding the Mandatory Conversion Date (as defined below)) of this Debenture (in whole but not in part) into shares of Common Stock (the date selected by the Company for any Mandatory Conversion pursuant to this Section 3(b), the "Mandatory Conversion Date").

(c) Shares Issuable on Conversion.

- i. The number of shares of Common Stock issuable upon any conversion pursuant to Section 3(a) or Section 3(b) shall be determined by dividing (x) the Conversion Amount or, in the case of the Mandatory Conversion, the entire Principal Amount and accrued Interest of this Debenture (to but excluding the applicable date of such conversion) by (y) the Conversion Price then in effect (the “**Conversion Rate**”).
- ii. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer, stamp and similar taxes that may be payable with respect to the issuance and delivery of Common Stock upon any such conversion.

(d) Mechanics of Conversion.

- i. Optional Conversion. To convert any Conversion Amount into shares of Common Stock on any Trading Day pursuant to Section 3(a) (an “**Optional Conversion Date**” and together with a Mandatory Conversion Date, each a “**Conversion Date**”), the Holder shall:
 - a. transmit by electronic mail (or otherwise deliver), for receipt on or prior to 11:59 p.m., New York Time, on the immediately preceding Business Day, a copy of an executed notice of conversion in the form attached hereto as Exhibit I (the “**Optional Conversion Notice**”) to the Company, and
 - b. if required by Section 3(d)(iii), surrender this Debenture to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking reasonably satisfactory to the Company with respect to this Debenture in the case of its loss, theft or destruction).
- ii. Notice of Mandatory Conversion. If the Company elects to effect a Mandatory Conversion pursuant to Section 3(b), the Company shall, within ten (10) Business Days following the completion of the applicable thirty (30) day Trading Period, provide notice of the Mandatory Conversion to each Holder (such notice, a “**Notice of Mandatory Conversion**”). For the avoidance of doubt, a Notice of Mandatory Conversion does not limit the Holder’s right to convert on an Optional Conversion Date prior to the Mandatory Conversion Date. The Mandatory Conversion Date selected by the Company shall be no less than ten (10) Business Days and no more than twenty (20) Business Days after the date on which the Company provides the Notice of Mandatory Conversion to the Holder.
- iii. Book-Entry. Notwithstanding anything to the contrary set forth herein, upon conversion of any portion of this Debenture in accordance with the terms hereof, the Holder shall not be required to physically surrender this Debenture to the Company unless (A) the entire Principal Amount and accrued Interest represented by this Debenture is being converted or (B) the Holder has provided the Company with prior written notice (which notice may be included in an Optional Conversion Notice) requesting reissuance of this Debenture upon physical surrender of this Debenture.

(e) Other Provisions.

- i. All calculations under this Section 3 shall be rounded to the nearest \$0.0001 or whole share.
- ii. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock (or other securities that may be issuable upon conversion of this Debenture) solely for the purpose of issuance upon conversion of this Debenture, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holder, not less than such number of shares of the Common Stock (or other securities that may be issuable upon conversion of this Debenture) as shall (subject to any additional requirements of the Company as to reservation of such shares (or other securities) set forth in this Debenture) be issuable (taking into account the adjustments and restrictions set forth herein) upon the conversion of the outstanding Principal Amount and Interest of this Debenture. The Company covenants that all shares of Common Stock (or other securities that may be issuable upon conversion of this Debenture) that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid and non-assessable.

- iii. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 2 herein for the Company's failure to deliver certificates representing shares of Common Stock within five (5) Business Days of the applicable Conversion Date and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

SECTION 4 - ADJUSTMENTS TO CONVERSION PRICE AND MANDATORY CONVERSION PRICE; PRO RATA DISTRIBUTIONS

(a) Adjustments to Conversion Price and Mandatory Conversion Price.

The Conversion Price shall be subject to adjustment from time to time as follows:

- i. Upon Stock Dividends, Subdivisions or Splits. If, at any time after the Issuance Date, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split up of shares of Common Stock, then, following the record date for the determination of holders of Common Stock entitled to receive such stock dividend, or to be affected by such subdivision or split up, the Conversion Price and the Mandatory Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of this Debenture shall be increased in proportion to such increase in outstanding shares.
- ii. Upon Combinations or Reverse Stock Splits. If, at any time after the Issuance Date, the number of shares of Common Stock outstanding is decreased by a combination or reverse stock split of the outstanding shares of Common Stock into a smaller number of shares of Common Stock, then, following the record date to determine shares affected by such combination or reverse stock split, the Conversion Price and the Mandatory Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of this Debenture shall be decreased in proportion to such decrease in outstanding shares.
- iii. Upon Reclassification, Merger or Sale of Assets. If, at any time or from time to time, there shall be a reclassification or capital reorganization of the Common Stock (other than a stock dividend, subdivision, split up combination or reverse stock splits provided for elsewhere in this Section 4(a)) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to any other person, then, as a part of such reorganization, merger, or consolidation or sale, provision shall be made so that Holder, as the case may be, shall thereafter be entitled to receive upon conversion of this Debenture, the number of shares of stock or other securities or property to which the Holder would have been entitled if the Holder had converted this Debenture immediately prior to such reclassification, capital reorganization, merger, consolidation or sale (subject to increase to the extent that the Principal Amount and accrued Interest of this Debenture subsequently increases). In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4(a) with respect to the rights of the Holder after the reclassification, reorganization, merger, consolidation or sale to the end that the provisions of this Section 4(a), including adjustment of the Conversion Price and the Mandatory Conversion Price then in effect for this Debenture and the number and type of shares or other securities issuable upon conversion of this Debenture shall be applicable after that event in as nearly equivalent a manner as may be practicable.

(b) Notice of Adjustment.

Whenever there is an adjustment pursuant to this Section 4, the Company shall promptly mail to the Holder a notice setting forth the Conversion Price and the Mandatory Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(c) Pro Rata Distributions.

During such time as this Debenture is outstanding, if the Company shall declare or make any dividend whether or not permitted, or make any other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon conversion of this Debenture immediately before the date of which a record is taken for such Distribution (or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution).

SECTION 5 - REISSUANCE OF THIS DEBENTURE

(a) Transfer.

If this Debenture is to be transferred, the Holder shall surrender this Debenture to the Company, whereupon the Company will, subject to Section 5(e), forthwith issue and deliver upon the order of the Holder a new Debenture (in accordance with Section 5(d)), registered in the name of the registered transferee or assignee, representing the outstanding Principal Amount being transferred by the Holder and, if less than the entire outstanding Principal Amount is being transferred, a new Debenture (in accordance with Section 5(d)) to the Holder representing the outstanding Principal Amount not being transferred. Upon accepting this Debenture, the Holder and any assignee acknowledge and agree that, by reason of conversion of any portion of this Debenture, the outstanding Principal Amount represented by this Debenture may be less than the Principal Amount stated on the face of this Debenture.

(b) Lost, Stolen or Mutilated Debenture.

Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Debenture, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Debenture, the Company shall execute and deliver to the Holder a new Debenture (in accordance with Section 5(d)) representing the outstanding Principal Amount.

(c) Debenture Exchangeable for Different Denominations.

This Debenture is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Debenture or Debentures (in accordance with Section 5(d)) representing in the aggregate the outstanding Principal Amount of this Debenture, and each such new Debenture will represent such portion of such outstanding Principal Amount as is designated by the Holder at the time of such surrender.

(d) Issuance of New Debentures.

Whenever the Company is required to issue a new Debenture pursuant to the terms of this Debenture, such new Debenture (i) shall be of like tenor with this Debenture, (ii) shall represent, as indicated on the face of such new Debenture, the Principal Amount remaining outstanding (or in the case of a new Debenture being issued pursuant to Section 5(a) or Section 5(c), the Principal Amount designated by the Holder which, when added to the principal represented by the other new Debentures issued in connection with such issuance, does not exceed the Principal Amount remaining outstanding under this Debenture immediately prior to such issuance of new Debentures), (iii) shall have an issuance date, as indicated on the face of such new Debenture, which is the same as the Issuance Date of this Debenture, and (iv) shall have the same rights and conditions as this Debenture. For the avoidance of doubt, the issuance of a new Debenture shall not release the Company’s obligations with respect to any accrued and unpaid Interest payable on the Principal Amount remaining outstanding.

(e) Transfer Restrictions.

This Debenture (or any portion hereof) may be assigned or transferred by the Holder to another person only in connection with an assignment or participation by the Holder in its capacity as Lender under and as defined in any of the Loan Agreements and in any event in a Principal Amount corresponding to the percentage of the aggregate Advances under and as defined in the Loan Agreements assigned or participated to such person, in each case as reflected in the Registers under and as defined in the Loan Agreements.

In addition, this Debenture (or any portion hereof) (and any Common Stock that may be issued on conversion of this Debenture as contemplated herein) may be offered, sold, pledged or otherwise transferred only (i) pursuant to an effective registration statement under the Securities Act, or (ii) pursuant to any other exemption from the registration requirements of the Securities Act.

SECTION 6 - MERGER

The Company shall not merge or consolidate with or into or directly or indirectly sell all or substantially all of its properties and assets to any other person unless: (i) the Company is the surviving person; and (ii) immediately after giving effect to the transaction, no Event of Default (or any event which is, or after notice or passage of time or both would be, an Event of Default), shall have occurred and be continuing.

SECTION 7 - NOTICES AND OTHER

- (a) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered upon: (i) receipt, when delivered personally, (ii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same, or (iii) receipt, when sent by electronic mail (provided that the electronic mail transmission is not returned in error or the sender is not otherwise notified of any error in transmission. The addresses and email addresses for such communications shall be:

If to the Company, to: Strathvale House
90 N Church Street
P.O. Box 309
Grand Cayman, KY1-1104 Cayman Islands
Email: lwebster@navios.com

If to the Holder, to: Trust Company Complex
Ajeltake Road
Ajeltake Island, Majuro MH 96960, Marshall Islands
Email: nsmfinance@navios.com

or at such other address and/or electronic email address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's computer containing the time, date, recipient's electronic mail address and the text of such electronic mail or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

- (b) Except as expressly provided herein, no provision of this Debenture shall alter or impair the obligations of the Company, which are absolute and unconditional, to pay the principal of, interest and other charges (if any) on this Debenture at the time, place, and rate, and in the coin or currency, herein prescribed. This Debenture is a direct obligation of the Company. As long as this Debenture is outstanding, the Company shall not and shall cause their subsidiaries not to, without the consent of the Holder, amend (or enter into any agreement to amend) its certificate of incorporation, bylaws or other charter documents so as to materially adversely affect any rights of the Holder (which shall include combining (by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares.
- (c) Without prejudice to the rights conferred on the Holder through the Series I Preference Shares, this Debenture shall not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to vote, to receive dividends and other distributions, or to receive any notice of, or to attend, meetings of stockholders or any other proceedings of the Company, unless and to the extent converted into shares of Common Stock in accordance with the terms hereof.
- (d) [reserved].
- (e) This Debenture shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to conflicts of laws thereof. Each of the parties consents to the jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan, New York and the U.S. District Court for the Southern

District of New York sitting in the Borough of Manhattan, New York in connection with any dispute arising under this Debenture and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on forum non conveniens to the bringing of any such proceeding in such jurisdictions.

- (f) If the Company fails to strictly comply with the terms of this Debenture, then the Company shall reimburse the Holder promptly for all reasonable and documented out-of-pocket fees, costs and expenses, including, without limitation, reasonable and documented out-of-pocket attorneys' fees and expenses incurred by the Holder in any action in connection with this Debenture, including, without limitation, those incurred: (i) during any workout, attempted workout, and/or in connection with the rendering of legal advice as to the Holder's rights, remedies and obligations, (ii) collecting any sums which become due to the Holder, (iii) defending or prosecuting any proceeding or any counterclaim to any proceeding or appeal; or (iv) the protection, preservation or enforcement of any rights or remedies of the Holder.
- (g) Any waiver by the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture. Any waiver must be in writing.
- (h) If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it is found that any interest or other amount deemed interest due hereunder shall violate applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the Principal Amount of or Interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.
- (i) Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.
- (j) THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES' ACCEPTANCE OF THIS AGREEMENT.

SECTION 8 - CERTAIN DEFINITIONS

For purposes of this Debenture, the following terms shall have the following meaning:

- (a) "**Bloomberg**" means Bloomberg Financial Markets.
- (b) "**Business Day**" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions are authorized or required by law or other government action to close or are in fact closed.
- (c) "**Conversion Amount**" means at any time the portion of the Principal Amount and accrued Interest to then be converted as determined by the Holder.
- (d) "**Conversion Price**" means, as of any applicable Conversion Date or other date of determination, US\$ 3.93, subject to adjustment as provided for herein. For the avoidance of doubt, all determinations of the Conversion Price are intended to reflect appropriate adjustment for any stock split, stock dividend, stock combination or other similar transaction as provided for herein.
- (e) "**Designated Shareholder**" means Mrs. Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary).

- (f) **“Mandatory Conversion Price”** means of any date of determination, US\$ 9.58, subject to adjustment as provided for herein. For the avoidance of doubt, all determinations of the Mandatory Conversion Price are intended to reflect appropriate adjustment for any stock split, stock dividend, stock combination or other similar transaction as provided for herein.
- (g) **“Common Stock”** means the common stock of the Company and stock of any other class into which such shares may hereafter be changed or reclassified.
- (h) **“Exchange Act”** means the *Securities Exchange Act of 1934*, as amended.
- (i) **“Person”** or **“person”** means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency
- (j) **“Securities Act”** means the *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.
- (k) **“Trading Day”** means a day on which the shares of Common Stock are quoted on the Primary Market on which the shares of Common Stock are then quoted or listed; provided, that in the event that the shares of Common Stock are not listed or quoted, then Trading Day shall mean a Business Day.
- (l) **“VWAP”** means, for any security as of any date, the daily dollar volume-weighted average price for such security as reported by Bloomberg, LP through its “Historical Price Table Screen (HP)” with Market: Weighted Avg function selected, or, if no dollar volume-weighted average price is reported for such security by Bloomberg, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the “pink sheets” by OTC Markets Group Inc.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Convertible Debenture to be duly executed by a duly authorized officer as of the date set forth above.

NAVIOS MARITIME HOLDINGS INC.

Name:

Title:

Dated 14 December 2021

KLEIMAR NV
WHITE NARCISSUS MARINE S.A.
FAITH MARINE LTD.
RED ROSE SHIPPING CORP.
JASMINE SHIPPING CORPORATION and
MOONSTONE SHIPPING CORPORATION
as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

HAMBURG COMMERCIAL BANK AG
as Agent, Mandated Lead Arranger
and Security Trustee

LOAN AGREEMENT

relating to a senior secured post-delivery term
loan facility of up to US\$105,000,000
to provide finance secured on seven bulk carriers

WATSON FARLEY
&
WILLIAMS

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PARTIES

- (1) **KLEIMAR NV**, a public limited liability company incorporated in Belgium and having its registered office at 5 Suikerrui, 2000 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, Antwerp division, **WHITE NARCISSUS MARINE S.A.**, a company incorporated in Panama and having its registered address is at 53rd Street Urbanizacion Obartio, Swiss Tower, 16th Floor, Panama, Republic of Panama, **FAITH MARINE LTD.**, a corporation incorporated in Liberia having its registered address at 80 Broad Street, Monrovia, Liberia and **RED ROSE SHIPPING CORP.**, **JASMINE SHIPPING CORPORATION** and **MOONSTONE SHIPPING CORPORATION**, each a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960, as joint and several **Borrowers**;
- (2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;
- (3) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Agent**;
- (4) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Mandated Lead Arranger**; and
- (5) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers a senior secured post-delivery term loan facility in one advance in an amount of up to the lesser of (i) \$105,000,000 and (ii) 65 per cent. of the aggregate Initial Market Value of the Ships, for the purpose of partial refinancing the Mortgage Notes Indebtedness secured on Ship A, Ship B, Ship C, Ship D, Ship E, Ship F and Ship G.

OPERATIVE PROVISIONS

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5, in this Agreement:

“**Account**” means each of the Earnings Accounts, the Minimum Liquidity Account, the Reserve Account and the Retention Account and, in the plural, means all of them;

“**Account Bank**” means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, or any successor;

“**Account Pledge**” means, in relation to each Account, a pledge agreement creating security in respect of that Account in the Agreed Form and, in the plural, means all of them;

“**Additional Minimum Liquidity Amount**” has the meaning given to such term in Schedule 7 (*Details of Ship and other definitions*);

“**Advance**” means the principal amount of the borrowing by the Borrowers under this Agreement in respect of the Ships or, as the context may require, the principal amount outstanding of the Advance under this Agreement;

“**Affected Lender**” has the meaning given in Clause 5.7;

“**Agency and Trust Deed**” means the agency and trust deed executed or to be executed between the Borrowers and the Creditor Parties in the Agreed Form;

“**Agent**” means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Deed;

“**Agreed Form**” means in relation to any document, that document in the form approved in writing by the Agent (acting on the instructions of the Majority Lenders) or as otherwise approved in accordance with any other approval procedure specified in any relevant provisions of any Finance Document;

“**Applicable Lender**” has the meaning given in Clause 5.2;

“**Approved Broker**” means each of Arrow Valuations Ltd, Barry Rogliano Salles, H. Clarkson & Co. Ltd., Maersk Brokers K/S, Howe Robinson & Co Ltd London and Fearnleys and Simpson Spence Young and, in the plural, means all of them;

“**Approved Flag**” means, in relation to a Ship, the Panamanian, Cypriot, Liberian flag or such other flag as the Agent may approve (with the authorisation of the Majority Lenders) as the flag on which that Ship is or, as the case may be, shall be registered;

“**Approved Flag State**” means, in relation to a Ship, the Republic of Panama, the Republic of Cyprus, the Republic of Liberia or any other country in which the Agent may approve (with the authorisation of the Majority Lenders) that that Ship is or, as the case may be, shall be registered;

“**Approved Manager**” means, in respect of a Ship:

- (a) Navios Shipmanagement Inc., Navios International Management Inc., Kleimar Ltd. or Navios Corporation Management Inc., each a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;
- (b) Synergy Marine PTE. LTD. as technical managers, whose registered address is at 1, Kim Seng Promenade, #10-11/12, West Tower, Great World City, Singapore 237994;
- (c) Synergygroup Operations Inc. as crew managers, whose registered address is at 3rd Floor Universal LMS Building, 106 Esteban Street, Legaspi Village, Makati City, Philippines , 1229;

(d) Synergy Maritime Recruitment Services Private Limited, as sub crew managers, whose registered address is at 4th Floor AKDR Tower, 3/381 Rajiv Gandhi Salai (OMR), Mettukuppam, Chennai – 600097, India; or

(e) any other company which is a subsidiary or affiliate of Navios Shipmanagement Inc. or of Angeliki Frangou or any other company which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the commercial and/or technical manager of that Ship;

“**Approved Manager’s Undertaking**” means, in relation to a Ship, a letter of undertaking including (*inter alia*) an assignment of the Approved Manager’s rights, title and interest in the Insurances of that Ship executed or to be executed by the Approved Manager in favour of the Security Trustee in the Agreed Form agreeing certain matters in relation to the Approved Manager serving as manager and subordinating its rights against that Ship and the Borrower which is the owner thereof to the rights of the Creditor Parties under the Finance Documents and, in the plural, means all of them;

“**Assignable Charter**” means the Initial Charter and any time charterparty, consecutive voyage charter or contract of affreightment in respect of a Ship having a duration (or capable of exceeding a duration) equal or more than 12 months and any guarantee of the obligations of the charterer under such charter or any bareboat charter in respect of that Ship and any guarantee of the obligations of the charterer under such bareboat charter, entered or to be entered into by the Borrower which is the owner thereof and a charterer or, as the context may require, bareboat charterer and, in the plural, means all of them;

“**Availability Period**” means the period commencing on the date of this Agreement and ending on:

- (a) 31 January 2022 (or such later date as the Agent may, with the authorisation of the Majority Lenders, agree with the Borrowers); or
- (b) if earlier, the date on which the Total Commitments are fully borrowed, cancelled or terminated;

“**Balloon Instalment**” has the meaning given in Clause 8.1;

“**Basel III**” means, together:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;

“**Borrower**” means each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E and Borrower F and, in the plural, means all of them;

“**Borrower A**” means Kleimar NV, a public limited liability company incorporated in Belgium and having its registered office at 5 Suikerrui, 2000 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, Antwerp division;

“**Borrower B**” means White Narcissus Marine S.A., a corporation incorporated and existing under the laws of the Republic of Panama whose registered address is at 53rd Street Urbanizacion Obartio, Swiss Tower, 16th Floor, Panama, Republic of Panama;

“**Borrower C**” means Faith Marine Ltd., a corporation incorporated and existing under the laws of the Republic of Liberia whose registered address is at 80 Broad Street, Monrovia, Liberia;

“**Borrower D**” means Red Rose Shipping Corp., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;

“**Borrower E**” means Jasmine Shipping Corporation, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;

“**Borrower F**” means Moonstone Shipping Corporation, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;

“**Break Costs**” has the meaning given in Clause 21.2;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business:

- (a) in Hamburg, Piraeus, Athens and London regarding the fixing of any interest rate which is required to be determined under this Agreement or any Finance Document;
- (b) in Hamburg, New York and Piraeus in respect of any payment which is required to be made under a Finance Document; and
- (c) in Hamburg, Athens and Piraeus regarding any other action to be taken under this Agreement or any other Finance Document;

“**Cancellation Notice**” has the meaning given in Clause 8.6;

“**Change of Control**” means, in relation to:

- (a) a Borrower, a change in:
 - (i) the beneficial ownership of any of the shares in that Borrower; or
 - (ii) the legal ownership of any of those shares; or

(b) the Corporate Guarantor, change which results in Mrs Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary) being the ultimate beneficial owner of, or having ultimate control of the voting rights attaching to, less than 10 per cent. of all the issued and outstanding voting shares in the Corporate Guarantor;

“**Charterparty Assignment**” means, in relation to an Assignable Charter, an assignment of the rights of the Borrower who is a party to that Assignable Charter under that Assignable Charter and any guarantee of such Assignable Charter executed or to be executed by that Borrower in favour of the Security Trustee in the Agreed Form and, in the plural, means all of them;

“**Code**” means the US Internal Revenue Code of 1986;

“**Commitment**” means, in relation to a Lender, the amount set opposite its name in Schedule 1, or, as the case may require, the amount specified in the relevant Transfer Certificate, as that amount may be reduced, cancelled or terminated in accordance with this Agreement (and “**Total Commitments**” means the aggregate of the Commitments of all the Lenders);

“**Compliance Certificate**” means a certificate in the form set out in Schedule 1 of the Corporate Guarantee (or in any other form which the Agent approves or requires) to be provided at the times and in the manner set out in Clause 11.20;

“**Contractual Currency**” has the meaning given in Clause 21.6;

“**Contribution**” means, in relation to a Lender, the part of the Loan which is owing to that Lender;

“**Corporate Guarantee**” means a guarantee of the obligations of the Borrowers under this Agreement and the other Finance Documents to which each Borrower is a party, in the Agreed Form;

“**Corporate Guarantor**” means Navios Maritime Holdings Inc., a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;

“**Correction Rate**” means, at any relevant time in relation to an Applicable Lender, the amount (expressed as a rate per annum) by which that Lender’s Cost of Funding exceeds LIBOR;

“**Cost of Funding**” means, in relation to a Lender, the rate per annum determined by that Lender to be the rate at which deposits in Dollars are offered to that Lender by leading banks in the Relevant Interbank Market at that Lender’s request at or about the Specified Time on the Quotation Date for an Interest Period and for a period equal to that Interest Period and for delivery on the first Business Day of it, or, if that Lender uses other ways to fund deposits in Dollars, such rate as determined by that Lender to be the Lender’s cost of funding deposits in Dollars for that Interest Period, such determination being conclusive and binding in the absence of manifest error;

“**Creditor Party**” means the Agent, the Security Trustee, the Mandated Lead Arranger or any Lender, whether as at the date of this Agreement or at any later time and, in the plural, means all of them;

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Loan (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other, Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted;

“Dollars” and **“\$”** means the lawful currency for the time being of the United States of America;

“Drawdown Date” means the date requested by the Borrowers for the Advance to be borrowed, or (as the context requires) the date on which the Advance is actually borrowed;

“Drawdown Notice” means a notice in the form set out in Schedule 2 (or in any other form which the Agent approves or reasonably requires);

“Earnings” means, in relation to a Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Borrower owning that Ship or the Security Trustee and which arise out of the use or operation of that Ship, including (but not limited to):

- (a) except to the extent that they fall within paragraph (b);
 - (i) all freight, hire and passage moneys;
 - (ii) compensation payable to that Borrower or the Security Trustee in the event of requisition of a Ship for hire;
 - (iii) remuneration for salvage and towage services;
 - (iv) demurrage and detention moneys;
 - (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship; and
 - (vi) all moneys which are at any time payable under any Insurances in respect of loss of hire; and
- (b) if and whenever that Ship is employed on terms whereby any moneys falling within paragraphs (a)(i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Ship;

“Earnings Account” means, in relation to a Ship, an account in the name of the Borrower owning that Ship with the Account Bank designated “[*name of relevant Borrower*] - Earnings Account”, or any other account (with that or another office of the Account Bank) which replaces such account and is designated by the Agent as that Earnings Account for the purposes of this Agreement;

“Environmental Claim” means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident or to an alleged Environmental Incident,

and **“claim”** means a claim for damages, compensation, fines, penalties or any other payment of any kind whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset;

“Environmental Incident” means, in relation to a Ship:

- (a) any release of Environmentally Sensitive Material from that Ship; or
- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than that Ship and which involves a collision between that Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which that Ship is actually or potentially liable to be arrested, attached, detained or enjoined and/or that Ship and/or the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident in which Environmentally Sensitive Material is released otherwise than from that Ship and in connection with which that Ship is actually or potentially liable to be arrested and/or where the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action;

“Environmental Law” means any law, regulation, convention and agreement relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material;

“Environmentally Sensitive Material” means oil, oil products and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous;

“Event of Default” means any of the events or circumstances described in Clause 19.1;

“Excess Cash” has the meaning given in Clause 8.13 (*Cash Sweep*).

“Existing Security Interest” means any Security Interest created under the Mortgage Notes;

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;

- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA;

“**FATCA Exempt Party**” means a Party that is entitled to receive payments free from any FATCA Deduction;

“**Final Repayment Date**” means the date falling 2 years from the Drawdown Date;

“**Finance Documents**” means together:

- (a) this Agreement;
- (b) the Agency and Trust Deed;
- (c) the Account Pledges;
- (d) the Corporate Guarantee;
- (e) the Mortgages;
- (f) the General Assignments;
- (g) the Charterparty Assignments;
- (h) the Approved Manager’s Undertakings; and
- (i) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, the Corporate Guarantor, the Approved Manager or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Lenders under this Agreement or any of the other documents referred to in this definition and, in the singular, means any of them;

“**Financial Indebtedness**” means, in relation to a person (the “**debtor**”), any actual or contingent liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note, debenture or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;

- (d) under a financial lease, a deferred purchase consideration arrangement (in each case, other than in respect of assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap, exchange or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or
- (f) under receivables sold or discounted (other than any receivables to the extent that they are sold on a non-recourse basis); or
- (g) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (f) if the references to the debtor referred to the other person;

“**Financial Year**” means, in relation to the Corporate Guarantor and the Group, each period of one year commencing on 1 January in respect of which consolidated accounts are or ought to be prepared;

“**General Assignment**” means, in relation to a Ship, a general assignment of (*inter alia*) the Earnings, the Insurances and any Requisition Compensation relative to that Ship in the Agreed Form and, in the plural, means all of them;

“**Group**” means the Corporate Guarantor and all subsidiaries directly or indirectly owned by the Corporate Guarantor, including, but not limited to, the Shareholder and the relevant Borrower and “**member of the Group**” shall be construed accordingly;

“**IACS**” means the International Association of Classification Societies;

“**Initial Charter**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships and Initial Charters*);

“**Initial Market Value**” means, in relation to a Ship, the Market Value thereof calculated in accordance with the valuation(s) relative thereto referred to in paragraph 5 of Schedule 3, Part B;

“**Instalment**” has the meaning given in Clause 8.1;

“**Insurances**” means, in relation to a Ship:

- (a) all policies and contracts of insurance (including, without limitation, any loss of hire insurance) and any reinsurance, policies or contracts, including entries of that Ship in any protection and indemnity or war risks association, effected in respect of that Ship, its Earnings or otherwise in relation to it whether before, on or after the date of this Agreement; and
- (b) all rights (including, without limitation, any and all rights or claims which the Borrower owning that Ship may have under or in connection with any cut-through clause relative to any reinsurance contract relating to the aforesaid policies or contracts of insurance) and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement;

“**Interest Period**” means a period determined in accordance with Clause 6;

“**Interpolated Screen Rate**” means, in relation to an Interest Period, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than that Interest Period; and
 - (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds that Interest Period,
- each as of the Specified Time on the Quotation Date for that Interest Period;

“**ISM Code**” means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation as the same may be amended or supplemented from time to time (and the terms “**safety management system**”, “**Safety Management Certificate**” and “**Document of Compliance**” have the same meanings as are given to them in the ISM Code);

“**ISPS Code**” means the International Ship and Port Facility Security Code as adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time;

“**ISSC**” means a valid and current International Ship Security Certificate issued under the ISPS Code;

“**Lender**” means, subject to Clause 26.6, a bank or financial institution listed in Schedule 1 and acting through its branch indicated in Schedule 1 (or through another branch notified to the Agent under Clause 26.16) or its transferee, successor or assign;

“**LIBOR**” means, for an Interest Period:

- (a) the rate per annum equal to the offered quotation for deposits in Dollars for a period equal to, or as near as possible equal to, the relevant Interest Period which appears on the Screen Rate; or
- (b) (if no Screen Rate is available for that Interest Period), the applicable Interpolated Screen Rate for that Interest Period; or
- (c) if no Screen Rate is available and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the rate per annum determined by the Agent to be the arithmetic mean (rounded upwards, if necessary, to the nearest fifth decimal point) of the rate(s) per annum notified to the Agent by each, or if there is only one Reference Bank, that Reference Bank as the rate at which deposits in Dollars are offered to that Reference Bank by leading banks in the Relevant Interbank Market at that Reference Bank’s request,

at or about the Specified Time on the Quotation Date for that Interest Period for a period equal to that Interest Period and for delivery on the first Business Day of it and, if any such rate is below zero, LIBOR will be deemed to be zero;

“Loan” means the principal amount for the time being outstanding under this Agreement;

“LSW 1189” means the London Standard Wording for marine insurances which incorporates the German Direct Mortgage Clause;

“LTV Ratio” means, at any relevant time, the Loan at that time expressed as a percentage of the aggregate of (i) the aggregate of the Market Value of the Mortgaged Ships, (ii) the aggregate credit balances standing at such time to the credit of the Retention Account and the Reserve Account and (iii) the net realisable value of any additional security provided at that time under Clause 15 (*Security Cover*);

“Major Casualty” means, in relation to a Ship, any casualty to that Ship in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$500,000 or the equivalent in any other currency;

“Majority Lenders” means:

- (a) before the Advance is made, Lenders whose Commitments total $66\frac{2}{3}$ per cent. of the Total Commitments; and
- (b) after the Advance is made, Lenders whose Contributions total $66\frac{2}{3}$ per cent. of the Loan;

“Mandated Lead Arranger” means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor;

“Mandatory Cost” means the percentage rate per annum calculated by the Agent in accordance with Schedule 4;

“Margin” means:

- (a) if the LTV Ratio is less than 55 per cent., 3.25% per annum; or
- (b) if the LTV Ratio is equal to or greater than 55 per cent. up to, 60 per cent., 3.50% per annum; or
- (c) if the LTV Ratio is equal to or greater than 60 per cent. up to, 65 per cent., 4.0% per annum; or
- (d) if the LTV Ratio is equal to or greater than 65 per cent., 4.50% per annum;

“Market Value” means, in relation to a Ship, the market value thereof determined in accordance with Clause 15.3;

“Material Adverse Change” means any event or series of events which, in the opinion of the Majority Lenders, is likely to have a Material Adverse Effect;

“Material Adverse Effect” means, in the reasonable opinion of the Majority Lenders, a material adverse effect on:

- (a) the business, property, assets, liabilities, operations or condition (financial or otherwise) of a Borrower and/or any Security Party taken as a whole;

- (b) the ability of a Borrower, the Approved Manager and/or any Security Party to (i) comply with or perform any of its obligations or (ii) discharge any of its liabilities, under any Finance Document as they fall due; or
- (c) the validity, legality or enforceability of any Finance Document;

“**Maximum Advance Amount**” means an amount up to the lesser of (i) \$105,000,000 and (ii) 65 per cent. of the aggregate Initial Market Value the Ships;

“**Minimum Liquidity**” has the meaning given in Schedule 7;

“**Minimum Liquidity Account**” means an account in the joint names of the Borrowers with the Account Bank designated “[name of account holder(s)] – Minimum Liquidity Account”, or any other account (with that or another office of the Account Bank) which replaces such account and is designated by the Agent as the Minimum Liquidity Account for the purposes of this Agreement;

“**Mortgage**” means, in relation to a Ship, the first preferred ship mortgage or, as the case may be, first priority ship mortgage and deed of covenants collateral thereto, on that Ship in the Agreed Form and, in the plural, means all of them;

“**Mortgaged Ship**” means a Ship which is subject to a Mortgage at the relevant time and, in the plural, means all of them;

“**Negotiation Period**” has the meaning given in Clause 5.10;

“**Notifying Lender**” has the meaning given in Clause 21.2, Clause 23.1 or Clause 24.1 as the context requires;

“**Participating Member State**” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;

“**Party**” means a party to a Finance Document;

“**Payment Currency**” has the meaning given in Clause 21.6;

“**Permitted Financial Indebtedness**” means the financial indebtedness incurred by Borrower A in the ordinary course of its business of owning and acquiring vessels and in relation to the vessels owned by it other than Ship A, Ship B and Ship C;

“**Permitted Security Interests**” means:

- (a) Security Interests created by the Finance Documents;
- (b) at any time prior to the Drawdown Date, any Existing Security Interest;
- (c) liens for unpaid master’s and crew’s wages in accordance with usual maritime practice;
- (d) liens for salvage;
- (e) liens arising by operation of law for not more than one month’s prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;

- (f) liens for master's disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 30 days overdue (unless the overdue amount is being contested by the relevant Borrower in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to Clause 14.14(d);
- (g) any Security Interest created in favour of a plaintiff or defendant in any proceedings or arbitration as security for costs and expenses while a Borrower is actively prosecuting or defending such proceedings or arbitration in good faith;
- (h) Security Interests arising by operation of law in respect of taxes which are not overdue for payment or in respect of taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made; and
- (i) in relation to Borrower A any Security Interest created under the Permitted Financial Indebtedness.

"Pertinent Document" means:

- (a) any Finance Document;
- (b) any policy or contract of insurance contemplated by or referred to in Clause 13 or any other provision of this Agreement or another Finance Document;
- (c) any other document contemplated by or referred to in any Finance Document; and
- (d) any document which has been or is at any time sent by or to a Servicing Bank in contemplation of or in connection with any Finance Document or any policy, contract or document falling within paragraphs (b) or (c);

"Pertinent Jurisdiction" in relation to a company, means:

- (a) England and Wales;
- (b) the country under the laws of which the company is incorporated or formed;
- (c) a country in which the company has the centre of its main interests or which the company's central management and control is or has recently been exercised;
- (d) a country in which the overall net income of the company is subject to corporation tax, income tax or any similar tax;
- (e) a country in which assets of the company (other than securities issued by, or loans to, related companies) having a substantial value are situated, in which the company maintains a branch or permanent place of business, or in which a Security Interest created by the company must or should be registered in order to ensure its validity or priority; and
- (f) a country the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the company, whether as a main or territorial or ancillary proceedings, or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (b) or (c);

“Potential Event of Default” means an event or circumstance which, with the giving of any notice, the lapse of time, a reasonable determination of the Majority Lenders and/or the satisfaction of any other condition, would constitute an Event of Default;

“Prepayment Date” has the meaning given in Clause 15.2;

“Prepayment Notice” has the meaning given in Clause 8.5(b);

“Quotation Date” means, in relation to any Interest Period (or any other period for which an interest rate is to be determined under any provision of a Finance Document), the day on which quotations would ordinarily be given by leading banks in the Relevant Interbank Market for deposits in the currency in relation to which such rate is to be determined for delivery on the first day of that Interest Period or other period;

“Reference Banks” means, subject to Clause 26.19, together, the Hamburg branch of Hamburg Commercial Bank AG, the head office of any other bank which is a Lender at the relevant time (unless such Lender has advised the Agent in writing that it does not wish to be a Reference Bank) and any of their respective successors;

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board;

“Replacement Benchmark” means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:
 - (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to that Screen Rate; or
- (c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor to a Screen Rate.

“Relevant Interbank Market” means the London interbank market;

“Relevant Person” has the meaning given in Clause 19.9;

“Repayment Date” means the date falling three months after the Drawdown Date and each of the dates falling at three-monthly intervals thereafter and the Final Repayment Date;

“**Requisition Compensation**” includes all compensation or other moneys payable by reason of any act or event such as is referred to in paragraph (b) of the definition of “**Total Loss**”;

“**Reserve Account**” means an account in the name of the Borrowers with the Account Bank designated “[*name of account holder(s)*] – Reserve Account”, or any other account (with that or another office of the Account Bank) which replaces this account and is designated by the Agent as the Reserve Account for the purposes of this Agreement;

“**Reserve Amount**” has the meaning given to such term in Schedule 7 (*Details of Ship and other definitions*);

“**Retention Account**” means an account in the joint names of the Borrowers with the Account Bank designated “[*name of account holder(s)*] – Retention Account”, or any other account (with that or another office of the Account Bank) which replaces this account and is designated by the Agent as the Retention Account for the purposes of this Agreement;

“**Screen Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers;

“**Screen Rate Replacement Event**” means, in relation to a Screen Rate:

- (a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders, and the Borrowers materially changed;
- (b)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or

- (c) in the opinion of the Majority Lenders and the Borrowers, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“**Secured Liabilities**” means all liabilities which the Borrowers, the Security Parties or any of them have, at the date of this Agreement or at any later time or times, under or in connection with any Finance Document or any judgment relating to any Finance Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country;

“**Security Cover Ratio**” means, at any relevant time, the aggregate of (i) the aggregate of the Market Value of the Mortgaged Ships, (ii) the aggregate credit balances standing at such time to the credit of the Retention Account and the Reserve Account and (iii) the net realisable value of any additional security provided at that time under Clause 15 (*Security Cover*) at that time expressed as a percentage of the Loan;

“**Security Interest**” means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind; and
(b) the rights of a plaintiff under an action *in rem*;

“**Security Party**” means the Corporate Guarantor, the Subordinated Creditor and any other person (except a Creditor Party or the Approved Manager) who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the final paragraph of the definition of “**Finance Documents**”;

“**Security Period**” means the period commencing on the date of this Agreement and ending on the date on which the Agent notifies the Borrowers, the Security Parties and the other Creditor Parties that:

- (a) all amounts which have become due for payment by a Borrower, the Approved Manager or any Security Party under the Finance Documents have been paid;
(b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;
(c) neither a Borrower, the Approved Manager nor any Security Party has any future or contingent liability under Clauses 20, 21 or 22 or any other provision of this Agreement or another Finance Document; and
(d) the Agent, the Mandated Lead Arranger, the Security Trustee and the Majority Lenders do not consider that there is a significant risk that any payment or transaction under a Finance Document would be set aside, or would have to be reversed or adjusted, in any present or possible future bankruptcy of a Borrower, the Approved Manager or a Security Party or in any present or possible future proceeding relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created by a Finance Document;

“**Security Trustee**” means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095, Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Deed;

“**Senior Secured Notes**” means the indenture dated as of 21 November 2017 for \$305,000,000 issued by the Corporate Guarantor and Navios Maritime Finance II (US) Inc. for 11.25% Senior Secured s due in 15 August 2022.

“**Senior Secured Notes Indebtedness**” means, at any date, any outstanding Financial Indebtedness (or part thereof) on that date under the Senior Secured Notes.

“**Servicing Bank**” means the Agent or the Security Trustee;

“**Shareholder**” means:

- (a) in connection to Borrower A: Nav Holdings Ltd, a company formed and existing under the law of Malta which has its registered address at 25/16 Vincenti Buildings, Strait Street, Valletta, Malta;
- (b) in connection to Borrower B and Borrower D: Anemos Maritime Holdings Inc., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960;
- (c) in connection to Borrower C and Borrower E: Navios Asia LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960; and
- (d) in connection to Borrower F: Aquis Marine Corp., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH96960.

“**Ship**” means each of Ship A, Ship B, Ship C, Ship D Ship E, Ship F and Ship G and, in the plural, means all of them;

“**Ship A**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship B**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship C**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship D**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship E**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship F**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Ship G**” has the meaning ascribed thereto in Schedule 7 (*Details of Ships*);

“**Mortgage Notes**” means the indenture dated as of 29 November 2013 for \$650,000,000 issued by the Corporate Guarantor and Navios Maritime Finance II (US) Inc. for 7.375% First Priority Ship Mortgage Notes due in 15 January 2022.

“**Mortgage Notes Indebtedness**” means, at any date, any outstanding Financial Indebtedness (or part thereof) on that date under the Mortgage Notes.

“**Specified Time**” means 11.00 a.m. London time;

“**Subordinated Creditor**” means Navios Shipmanagement Holdings Corporation, a corporation incorporated under the laws of the Marshall Islands whose registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Subordinated Liabilities**” means all indebtedness owed or expressed to be owed by the Corporate Guarantor to the Subordinated Creditor under the Subordinated Loan Agreements.

“**Subordinated Loan Agreement**” means:

- (a) loan agreement dated 29 August 2019 and made between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender as amended and restated on or around the date of this Agreement;
- (b) loan agreement dated 29 June 2021 and made between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender as amended and restated on or around the date of this Agreement;
- (c) any supplemental agreement entered or to be entered into between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender amending, supplementing and/or restating the Subordinated Loan Agreements referred to in paragraphs (a) and/or (b) above; and
- (d) any other amendment and/or supplement related to the Subordinated Liabilities.

“**Subordination Agreement**” means a subordination agreement entered into or to be entered into by the Subordinated Creditor and the Agent in such form as the Lenders may approve or require.

“**Total Loss**” means, in relation to a Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship;
- (b) any expropriation, confiscation, requisition or acquisition of that Ship, whether for full or part consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority unless it is within one month from the date of such occurrence redelivered to the full control of the Borrower(s) owning that Ship excluding a requisition for hire a fixed period not exceeding 90 days without any right to an extension;

- (c) any condemnation of that Ship by any tribunal or by any person or person claiming to be a tribunal; and
- (d) any arrest, capture, seizure, confiscation or detention of that Ship (including any hijacking or theft) unless it is within the Relevant Period redelivered to the full control of the Borrower(s) owning that Ship;

“Relevant Period” means:

- (i) in the case of any arrest, capture, seizure, confiscation or detention of a Ship (including any hijacking or theft), other than piracy, within 90 days; and
- (ii) in the case of piracy, if the relevant underwriters confirm to the Agent in writing prior to the end of the 90-day period referred to in (i) above that the relevant Ship is subject to an approved piracy insurance cover, the earlier of 270 days after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires;

“Total Loss Date” means, in relation to a Ship:

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) 30 days after the date on which a notice of abandonment is given to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower(s) owning that Ship with that Ship’s insurers in which the insurers agree to treat the Ship as a total loss; and
- (c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

“Transfer Certificate” has the meaning given in Clause 26.2;

“Trust Property” has the meaning given in clause 3.1 of the Agency and Trust Deed;

“Underlying Documents” means any Assignable Charters and, in the singular, means any of them;

“US” means the United States of America;

“US GAAP” means generally accepted accounting principles as from time to time in effect in the US; and

“US Tax Obligor” means:

- (a) a Borrower which is resident for tax purposes in the US; or
- (b) a Borrower or a Security Party some or all whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

1.2 Construction of certain terms

In this Agreement:

“**administration notice**” means a notice appointing an administrator, a notice of intended appointment and any other notice which is required by law (generally or in the case concerned) to be filed with the court or given to a person prior to, or in connection with, the appointment of an administrator;

“**approved**” means, for the purposes of Clause 13, approved in writing by the Agent at its discretion;

“**asset**” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“**company**” includes any partnership, joint venture and unincorporated association;

“**consent**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

“**contingent liability**” means a liability which is not certain to arise and/or the amount of which remains unascertained;

“**document**” includes a deed; also a letter or fax;

“**excess risks**” means, in relation to a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of that Ship in consequence of its insured value being less than the value at which that Ship is assessed for the purpose of such claims;

“**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**gross negligence**” means a form of negligence which is distinct from ordinary negligence, in which the due diligence and care which are generally to be exercised have been disregarded to a particularly high degree, in which the plainest deliberations have not been made and that which should be most obvious to everybody has not been followed;

“**law**” includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 1.3;

“**obligatory insurances**” means, in relation to a Ship, all insurances effected, or which the Borrower owning that Ship is obliged to effect in respect of that Ship, under Clause 13 or any other provision of this Agreement or another Finance Document;

“**parent company**” has the meaning given in Clause 1.4;

“**person**” includes any individual, any partnership, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**” in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 1 of the Institute Time Clauses (Hulls) (1/10/83) or clause 6 of the International Hull Clauses (1/11/02) (1/11/03) or clause 8 of the Institute Time Clauses (Hulls) (1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency (monetary or otherwise), department, central bank, regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 1.4;

“**successor**” includes any person who is entitled (by assignment, novation, merger or otherwise) to any person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine; and

“**war risks**” includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision.

1.3 Meaning of “month”

A period of one or more “**months**” ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started (“**the numerically corresponding day**”), but:

- (a) on the Business Day following the numerically corresponding day if the numerically corresponding day is not a Business Day or, if there is no later Business Day in the same calendar month, on the Business Day preceding the numerically corresponding day; or

- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day,
and “month” and “monthly” shall be construed accordingly.

1.4 Meaning of “subsidiary”

A company (S) is a subsidiary of another company (P) if a majority of the issued shares in S (or a majority of the issued shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P and any company of which S is a subsidiary is a parent company of S.

1.5 General Interpretation

In this Agreement:

- (a) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
- (b) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise;
- (c) words denoting the singular number shall include the plural and vice versa; and
- (d) Clauses 1.1 to 1.5 apply unless the contrary intention appears.

In this Agreement, where it relates to Borrower A, a reference to :

- (a) “**gross negligence**” is a reference to zware fout/faute lourde and “**wilful misconduct**” is a reference to opzet/dol;
- (b) a “**liquidator**”, “**receiver**”, “**administrative receiver**”, “**administrator**” or similar officer includes any insolventiefunctionaris/praticien de l’insolvabilité, curator/curateur, vereffenaar/liquidateur, gedelegeerd rechter/juge délégué, ondernemingsbemiddelaar/médiateur d’entreprise, gerechtsmandataris/ mandataire de justice, voorlopig bewindvoerder/administrateur provisoire, gerechtelijk bewindvoerder/administrateur judiciaire, mandataris ad hoc/mandataire ad hoc and any sekwester/séquestre;
- (c) a “**suspension of payments**”, “**moratorium**”, or “**reorganisation**” includes any gerechtelijke reorganisatie/réorganisation judiciaire;
- (d) an “**insolvency**” includes any insolventieprocedure/procedure d’insolvabilité, gerechtelijke reorganisatie/réorganisation judiciaire, faillissement/faillite and any other concurrence between creditors (samenloop van schuldeisers/concours des créanciers);
- (e) a “**security interest**” includes a mortgage (hypotheek/hypothèque), a pledge (pand/gage), a transfer by way of security (overdracht ten titel van zekerheid/transfert à titre de garantie), any other proprietary security interest (zakelijke zekerheid/sûreté réelle), a mandate to grant a mortgage, a pledge or any other real surety, a privilege (voorrecht/privilège) and a retention of title (eigendomsvoorbehoud/réserve de propriété);

- (f) an obligor being “**incorporated**” in Belgium or of which its “**jurisdiction of incorporation**” is Belgium, means that that Security Party has its registered office (zetel/siège) in Belgium;
- (g) a person being “**unable to pay its debts**” is that person being in a state of cessation of payments (staking van betaling/cessation de paiements);
- (h) a “**composition**” includes any minnelijk akkoord met schuldeisers/accord amiable avec des créanciers or any gerechtelijke reorganisatie/réorganisation judiciaire;
- (i) “**winding-up**”, “**administration**” or “**dissolution**” includes any vereffening/liquidation, ontbinding/dissolution, sluiting van een onderneming/fermeture d’entreprise and faillissement/faillite;
- (j) “**attachment**”, “**sequestration**”, “**distress**”, “**execution**” or analogous procedures includes any uitvoerend beslag/saisie exécution and bewarend beslag/saisie conservatoire;
- (k) an “**amalgamation**”, “**demerger**”, “**merger**” or “**corporate reconstruction**” includes an overdracht van algemeenheid/transfert d’universalité, an overdracht van bedrijfstak/transfert de branche d’activité, a splitsing/scission and a fusie/fusion as well as assimilated transactions (gelijkgestelde verrichtingen/operations assimilées) in accordance with article 12:7 and 12:8 of the Belgian Code of Companies and Associations;
- (l) the “**Belgian Civil Code**” means the Belgian oud Burgerlijk Wetboek/ancien Code Civil, as amended from time to time, or after its replacement, the Belgian Burgerlijk Wetboek/Code Civil, as amended from time to time; and
- (m) the “**Belgian Code of Companies and Associations**” means the Belgian Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations dated 23 March 2019, as amended from time to time.

1.6 Headings

In interpreting a Finance Document or any provision of a Finance Document, all clause, sub-clause and other headings in that and any other Finance Document shall be entirely disregarded.

2 FACILITY

2.1 Amount of facility

Subject to the other provisions of this Agreement, the Lenders shall make available to the Borrowers a senior secured term loan facility of up to \$105,000,000 in one Advance.

2.2 Lenders' participations in the Advance

Subject to the other provisions of this Agreement, each Lender shall participate in the Advance in the proportion which, as at the Drawdown Date, its Commitment bears to the Total Commitments.

2.3 Purpose of the Advance

The Borrowers undertake with each Creditor Party to use the Advance only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests several

The rights of the Lenders under this Agreement are several.

3.2 Individual right of action

Each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Agent, the Security Trustee or any other Lender as additional parties in the proceedings.

3.3 Proceedings requiring Majority Lender consent

Except as provided in Clause 3.2, no Lender may commence proceedings against the Borrowers, the Approved Manager or any Security Party in connection with a Finance Document without the prior consent of the Majority Lenders.

3.4 Obligations several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) a Borrower, the Approved Manager, any Security Party or any other Lender being discharged (in whole or in part) from its obligations under any Finance Document;

and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

4 DRAWDOWN

4.1 Request for the Advance

Subject to the following conditions, the Borrowers may request the Advance to be borrowed by ensuring that the Agent receives a completed Drawdown Notice not later than 11.00 a.m. (Hamburg time) three Business Days prior to the Drawdown Date.

4.2 Availability

The conditions referred to in Clause 4.1 are that:

- (a) a Drawdown Date has to be a Business Day during the Availability Period;
- (b) the Advance shall not exceed the Maximum Advance Amount;
- (c) any undrawn portion of the Total Commitments in respect of the Advance, upon the determination of the aggregate Initial Market Value of the Ships, shall be automatically cancelled as at the Drawdown Date; and
- (d) the amount of the Advance shall not exceed the Total Commitments.

4.3 Notification to Lenders of receipt of a Drawdown Notice

The Agent shall promptly notify the Lenders that it has received the Drawdown Notice and shall inform each Lender of:

- (a) the amount of the Advance and the Drawdown Date;
- (b) the amount of that Lender's participation in the Advance; and
- (c) the duration of the first Interest Period in respect of the Advance.

4.4 Drawdown Notice irrevocable

The Drawdown Notice must be signed by a duly authorised signatory of the Borrowers; and once served, the Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on the Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender on the Drawdown Date under Clause 2.2.

4.6 Disbursement of Advance

Subject to the provisions of this Agreement, the Agent shall on the Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.5 and that payment to the Borrowers shall be made:

- (a) to the account which the Borrowers specify in the Drawdown Notice; and
- (b) in like funds as the Agent received the payments from the Lenders.

The payment by the Agent under this Clause 4.6 shall constitute the making of the Advance and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's participation in the Advance.

5 INTEREST

5.1 Payment of normal interest

Subject to the provisions of this Agreement, interest on the Advance in respect of each Interest Period shall be paid by the Borrowers on the last day of that Interest Period.

5.2 Normal rate of interest

Subject to the provisions of this Agreement, the rate of interest on the Advance in respect of an Interest Period shall be the aggregate of (i) the Margin, (ii) the Mandatory Cost (if any), (iii) LIBOR for that Interest Period and (iv) if a Lender (the “**Applicable Lender**”) notifies the Agent at least 5 Business Days before the start of that Interest Period that its Cost of Funding exceeds LIBOR (including the amount of such excess) on the Quotation Date for that Interest Period, additionally in respect of that Applicable Lender’s Contribution in the relevant Advance, the Correction Rate applicable to the Applicable Lender for that Interest Period.

5.3 Payment of accrued interest

In the case of an Interest Period of longer than three months (subject to the prior agreement of the Agent in accordance with Clause 6.2(b)), accrued interest shall be paid every three months during that Interest Period and on the last day of that Interest Period.

5.4 Notification of Interest Periods and rates of normal interest

The Agent shall notify the Borrowers and each Lender of:

- (a) each rate of interest; and
 - (b) the duration of each Interest Period,
- as soon as reasonably practicable after each is determined.

5.5 Obligation of Reference Banks to quote

A Reference Bank which is a Lender shall use all reasonable efforts to supply the quotation required of it for the purposes of fixing a rate of interest under this Agreement unless that Reference Bank ceases to be a Lender pursuant to Clause 26.19.

5.6 Absence of quotations by Reference Banks

If any Reference Bank fails to supply a quotation, the Agent shall determine the relevant LIBOR on the basis of the quotations supplied by the other Reference Bank(s) but if two or more of the Reference Banks fail (or, if at any time there is only one Reference Bank, that Reference Bank fails) to provide a quotation, the relevant rate of interest shall be set in accordance with the following provisions of this Clause 5.

5.7 Market disruption

The following provisions of this Clause 5 apply if:

- (a) no rate is quoted on the Screen Rate, it is not possible to calculate an Interpolated Screen Rate for that Interest Period and two or more of the Reference Banks do not (or, if at any time there is only one Reference Bank, that Reference Bank does not), before 1.00 p.m. (London time) on the Quotation Date for an Interest Period, provide a quotation to the Agent in order to fix LIBOR; or
- (b) at least three Business Days before the start of an Interest Period, the Agent is notified by a Lender (the “**Affected Lender**”) that for any reason it is unable to obtain Dollars in the Relevant Interbank Market in order to fund its Contribution (or any part of it) during the Interest Period.

5.8 Notification of market disruption

The Agent shall promptly notify the Borrowers and each of the Lenders stating the circumstances falling within Clause 5.7 which have caused its notice to be given.

5.9 Suspension of drawdown

If the Agent's notice under Clause 5.8 is served before the Advance is made:

- (a) In a case falling within Clause 5.7(a), the Lender's obligation to make the Advance; and
- (b) In a case falling within Clause 5.7(b), the Affected Lender's obligation to participate in the Advance, shall be suspended while the circumstances referred to in the Agent's notice continue.

5.10 Negotiation of alternative rate of interest

- (a) If the Agent's notice under Clause 5.8 is served after the Advance is borrowed, the Borrowers, the Agent, the Lenders (subject to Clause 27.5) or (as the case may be) the Affected Lender shall use reasonable endeavours to agree, within 30 days after the date on which the Agent serves its notice under Clause 5.8 (the "**Negotiation Period**"), an alternative interest rate or (as the case may be) an alternative basis for the Lenders or (as the case may be) the Affected Lender to fund or continue to fund their or its Contribution during the Interest Period concerned.
- (b) During the Negotiation Period the Agent shall, with the agreement of each Lender or (as the case may be) the Affected Lender, set an interest period and interest rate representing the Cost of Funding of the Lenders or (as the case may be) the Affected Lender in Dollars, in each case as determined by the relevant Lender, or in any available currency of their or its Contribution plus the Margin and the Mandatory Cost (if any).

5.11 Application of agreed alternative rate of interest

Subject to Clause 27.5 (*Replacement of Screen Rate*), any alternative interest rate or an alternative basis which is agreed during the Negotiation Period shall take effect in accordance with the terms agreed.

5.12 Alternative rate of interest in absence of agreement

Subject to Clause 27.5 (*Replacement of Screen Rate*), if an alternative interest rate or alternative basis is not agreed within the Negotiation Period, and the relevant circumstances are continuing at the end of the Negotiation Period, then the procedure provided for in Clause 5.10(b) shall be repeated at the end of the interest period set by the Agent pursuant to that Clause.

5.13 Notice of prepayment

If the Borrowers do not agree with an interest rate set by the Agent under Clause 5.12, the Borrowers may give the Agent not less than 5 Business Days' notice of their intention to prepay the Loan at the end of the interest period set by the Agent.

5.14 Prepayment; termination of Commitments

A notice under Clause 5.13 shall be irrevocable; the Agent shall promptly notify the Lenders or (as the case may require) the Affected Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Total Commitments or (as the case may require) the Commitment of the Affected Lender shall be cancelled; and
- (b) on the last Business Day of the interest period set by the Agent, the Borrowers shall prepay (without premium or penalty) the Loan or, as the case may be, the Affected Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin and the Mandatory Cost (if any).

5.15 Application of prepayment

The provisions of Clause 8 shall apply in relation to the prepayment.

6 INTEREST PERIODS

6.1 Commencement of Interest Periods

The first Interest Period applicable to the Advance shall commence on the Drawdown Date and each subsequent Interest Period shall commence on the expiry of the preceding Interest Period.

6.2 Duration of normal Interest Periods

Subject to Clauses 6.3 and 6.4, each Interest Period in respect of the Advance shall be:

- (a) 3 months; or
- (b) such other period (as proposed by the Borrowers to the Agent not later than 11:00 a.m. (Hamburg time) 5 Business Days before the commencement of the Interest Period in respect of the Advance) as the Agent may, with the authorisation of the Majority Lenders, agree with the Borrowers (failing which the Interest Period shall be three months).

6.3 Duration of Interest Periods for Instalments

In respect of an amount due to be repaid under Clause 8 on a particular Repayment Date, an Interest Period shall end on that Repayment Date.

6.4 Non-availability of matching deposits for Interest Period selected

If, after the Borrowers have proposed and the Lenders have agreed an Interest Period longer than three months, any Lender notifies the Agent by 11.00 a.m. (Hamburg time) on the third Business Day before the commencement of the Interest Period that it is not satisfied that deposits in Dollars for a period equal to the Interest Period will be available to it in the Relevant Interbank Market when the Interest Period commences, the Interest Period shall be of three months.

7 DEFAULT INTEREST

7.1 Payment of default interest on overdue amounts

The Borrowers shall pay interest in accordance with the following provisions of this Clause 7 on any amount payable by the Borrowers under any Finance Document which the Agent, the Security Trustee or the other designated payee does not receive on or before the relevant date, that is:

- (a) the date on which the Finance Documents provide that such amount is due for payment; or
- (b) if a Finance Document provides that such amount is payable on demand, the date on which the demand is served; or
- (c) if such amount has become immediately due and payable under Clause 19.4, the date on which it became immediately due and payable.

7.2 Default rate of interest

Interest shall accrue on an overdue amount from (and including) the relevant date until the date of actual payment (as well after as before judgment) at the rate per annum determined by the Agent to be 2.50 per cent. above:

- (a) in the case of an overdue amount of principal, the higher of the rates set out at Clauses 7.3(a) and 7.3(b); or
- (b) in the case of any other overdue amount, the rate set out at Clause 7.3(b).

7.3 Calculation of default rate of interest

The rates referred to in Clause 7.2 are:

- (a) the rate applicable to the overdue principal amount immediately prior to the relevant date (but only for any unexpired part of any then current Interest Period applicable to it);
- (b) the aggregate of the Margin, any Correction Rate and the Mandatory Cost (if any) plus, in respect of successive periods of any duration (including at call) up to three months which the Agent may select from time to time:
 - (i) LIBOR; or
 - (ii) if the Agent (after consultation with the Reference Banks) determines that Dollar deposits for any such period are not being made available to any Reference Bank by leading banks in the Relevant Interbank Market in the ordinary course of business, a rate from time to time determined by the Agent by reference to the cost of funds to the Reference Banks from such other sources as the Agent (after consultation with the Reference Banks) may from time to time determine.

7.4 Notification of interest periods and default rates

The Agent shall promptly notify the Lenders and the Borrowers of each interest rate determined by the Agent under Clause 7.3 and of each period selected by the Agent for the purposes of paragraph 7.3(b) of that Clause; but this shall not be taken to imply that the Borrowers are liable to pay such interest only with effect from the date of the Agent's notification.

7.5 Payment of accrued default interest

Subject to the other provisions of this Agreement, any interest due under this Clause shall be paid on the last day of the period by reference to which it was determined; and the payment shall be made to the Agent for the account of the Creditor Party to which the overdue amount is due.

7.6 Compounding of default interest

Any such interest which is not paid at the end of the period by reference to which it was determined shall be compounded every 6 months and shall be payable on demand.

8 REPAYMENT AND PREPAYMENT

8.1 Amount of Instalments

The Borrowers shall repay the Advance by:

- (a) 8 consecutive instalments, each in the amount of \$4,500,000 (each an “**Instalment**” and, together, the “**Instalments**”); and
- (b) together with the last Instalment, a balloon instalment in the amount of \$69,000,000 (the “**Balloon Instalment**”),

Provided that, if the amount advanced is less than \$105,000,000, the aggregate amount of the Instalments and the Balloon Instalment shall be reduced by an amount equal to the undrawn amount on a *pro rata* basis.

8.2 Repayment Dates

The first Instalment in respect of the Advance shall be repaid on the first Repayment Date falling after the Drawdown Date, each subsequent Instalment shall be repaid at three-monthly intervals thereafter and the last Instalment, shall be repaid together with the Balloon Instalment, on the Final Repayment Date.

8.3 Final Repayment Date

On the Final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 Voluntary prepayment

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period or on such other date agreed between the Borrowers and the Agent.

8.5 Conditions for voluntary prepayment

The conditions referred to in Clause 8.4 are that:

- (a) a partial prepayment shall be \$500,000 or a higher integral multiple thereof (or such other amount acceptable to the Agent in its sole discretion);
- (b) the Agent has received from the Borrowers at least 3 Business Days' prior irrevocable written notice (each, a "**Prepayment Notice**") specifying the amount to be prepaid and the date on which the prepayment is to be made;
- (c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by any Borrower or any Security Party in connection with the prepayment has been obtained and remains in force, and that any regulation relevant to this Agreement which affects any Borrower or any Security Party has been complied with; and
- (d) the Borrowers are in compliance with Clause 8.10 on or prior to the date of prepayment.

8.6 Optional facility cancellation

The Borrowers shall be entitled, upon giving to the Agent not less than 5 Business Days' prior written notice, to cancel, in whole or in part, and, if in part, by an aggregate amount not less than \$500,000 or a higher integral multiple thereof (or such other amount acceptable to the Agent in its sole discretion), the undrawn balance of the Total Commitments (the "**Cancellation Notice**") which notice shall be irrevocable. Upon such cancellation taking effect on expiry of a Cancellation Notice the several obligations of the Lenders to make their respective Commitments available in relation to the portion of the Total Commitments to which such Cancellation Notice relates shall terminate.

8.7 Cancellation Notice or Prepayment Notice

The Agent shall notify the Lenders promptly upon receiving a Cancellation Notice or Prepayment Notice, and shall provide, in the case of a Prepayment Notice, any Lender which so requests with a copy of any document delivered by the Borrowers under Clause 8.5(c).

8.8 Mandatory prepayment

The Borrowers shall be obliged to prepay the Relevant Amount:

- (a) if a Ship is sold, on or before the date on which the sale is completed by delivery of the Ship to the buyer; or
- (b) if a Ship becomes a Total Loss, on the earlier of the date falling 90 days after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

In this Clause 8.8:

"Relevant Amount" means:

- (i) an amount equal to the Relevant Fraction of the Loan on the date on which (1) the relevant Ship is sold or (2) the relevant Ship becomes a Total Loss; and
- (ii) if the relevant Ship is the last Ship subject to a Mortgage, the whole of the Loan.

“**Relevant Fraction**” means a fraction of which the numerator is the Market Value of that Ship, being sold or which has become a Total Loss and the denominator is the aggregate Market Value of all Mortgaged Ships at the relevant time.

8.9 Effect of Prepayment Notice and Cancellation Notice

Neither a Prepayment Notice nor a Cancellation Notice may be withdrawn or amended without the consent of the Agent, given with the authorisation of the Majority Lenders, and:

- (a) in the case of a Prepayment Notice, the amount specified in that Prepayment Notice shall become due and payable by the Borrowers on the date for prepayment specified in that Prepayment Notice; and
- (b) in the case of a Cancellation Notice, the amount cancelled shall be permanently cancelled and may not be borrowed.

8.10 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any sums payable under Clause 21.2) but without premium or penalty.

8.11 Application of partial prepayment or cancellation

Each partial prepayment shall be applied:

- (a) if made pursuant to Clauses 5.13, 8.8, 8.13, 15.2, 19.2, 23.3 or 24.6, pro rata against the Instalments and the Balloon Instalment; and
- (b) if made pursuant to Clause 8.4, against the Loan being prepaid in order of maturity of the Instalments and the Balloon Instalment.

8.12 No reborrowing

No amount prepaid or cancelled may be (re)borrowed.

8.13 Cash sweep

- (a) The Borrowers shall deliver to the Agent on or prior to the date falling 45 days after the last day of each Cash Sweep Period an Excess Cash Certificate together with the combined management accounts of the Borrowers in form and substance satisfactory to the Agent (or such other evidence acceptable to the Agent), setting out (in reasonable detail) computations as to the amount of the Excess Cash for that Cash Sweep Period.
- (b) If the Agent determines that the amount of the Excess Cash for any Cash Sweep Period is a positive figure, the Borrowers shall prepay on the next Repayment Date a part of the Loan equal to 100 per cent. of the amount of such Excess Cash subject always to paragraph (d) of Clause 8.13 (*Cash Sweep*).
- (c) The maximum amount of the Loan that may be prepaid by the Borrowers pursuant to this Clause 8.13 (*Cash sweep*) is equal to \$7,000,000, following which this Clause 8.13 (*Cash sweep*) shall cease to apply.

(d) In this Clause 8.13 (*Cash sweep*):

“**Cash Sweep Period**” means:

- (a) the period commencing on the first day of the calendar quarter falling after the Senior Secured Notes was repaid in full; and
- (b) each subsequent period of 6 months, each commencing on the expiry of the preceding period and ending on the earlier of the date falling 6 months thereafter (inclusive) until the end of the Security Period.

“**Excess Cash**” means, in relation to each Cash Sweep Period, the aggregate Earnings of all Ships during that Cash Sweep Period after deducting:

- (a) the aggregate operating expenses in relation to each Ship, including but not limited to general and administrative expenses as well as drydocking and other capitalized expenses in connection with the maintenance and compliance requirements of the Ships; and
- (b) any amounts due and payable pursuant to this Agreement;

in each case, for that Cash Sweep Period.

“**Excess Cash Certificate**” means, in relation to a Cash Sweep Period, a certificate in the form set out in Schedule 8 (*Form of Excess Cash Certificate*) or in any other form agreed between the Borrowers and the Agent setting out (in reasonable detail) computations as to the amount of the Excess Cash for that Cash Sweep Period.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender’s obligation to contribute to the Advance is subject to the following conditions precedent:

- (a) that, on or before the date of this Agreement, the Agent receives the documents described in Part A of Schedule 3 in form and substance satisfactory to the Agent and its lawyers; and
- (b) that, on the Drawdown Date, the Agent receives:
 - (i) the documents and conditions described in Part B of Schedule 3 in form and substance satisfactory to the Agent and its lawyers;
 - (ii) any fee payable pursuant to Clause 20.1; and
 - (iii) payment of any expenses payable pursuant to Clause 20.2 which are due and payable on the Drawdown Date;
- (c) that both at the date of the Drawdown Notice and at the Drawdown Date:
 - (i) no Event of Default or Potential Event of Default has occurred or would result from the borrowing of the relevant Advance;

- (ii) the representations and warranties in Clause 10 and those of the Borrowers, the Approved Manager or any Security Party which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing;
 - (iii) none of the circumstances contemplated by Clause 5.7 has occurred and is continuing; and
 - (iv) there has been no Material Adverse Change; and
- (d) that, if the Security Cover Ratio were applied immediately following the making of the Advance, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and
- (e) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit the Advance to be borrowed before certain of the conditions referred to in Clause 9.1 are satisfied, the Borrowers shall ensure that those conditions are satisfied within 5 Business Days after the Drawdown Date (or such longer period as the Agent may, with the authorisation of the Majority Lenders, specify).

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants to each Creditor Party as follows.

10.2 Status

Borrower A is duly incorporated, validly existing and in good standing under the laws of Belgium. Borrower B is duly incorporated, validly existing and in good standing under the law of the Republic of Panama. Borrower C is duly incorporated, validly existing and in good standing under the law of the Republic of Liberia. Each of Borrower D, Borrower E and Borrower F is duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands.

10.3 Share capital and ownership

- (a) Borrower A is authorised to issue fifty six thousand nine hundred ninety (56,990) registered shares with no par value, all of which shares have been issued in registered form and are held, free of any Security Interest or other claim, by the relevant Shareholder;
- (b) Borrower B is authorised to issue one hundred (100) registered of stock with a nominal value of one hundred dollars (US\$100.00) each and are fully paid and are held, free of any Security Interest or other claim by the relevant Shareholder;
- (c) Borrower C and Borrower D are each authorised to issue five hundred (500) registered shares without par value, all of which shares have been issued in registered form and are fully paid and non-assessable, and are held, free of any Security Interest or other claim, by the relevant Shareholder;

- (d) Each of the Borrower E and Borrower F are each authorised to issue five hundred (500) registered shares with a par value of one US Dollar (US\$1.00) per share, all of which shares have been issued in registered form and are fully paid and non-assessable and are held, free of any Security Interest or other claim, on and from the Drawdown Date, by the relevant Shareholder; and
- (e) All the shares of each relevant Shareholder are held, free of any Security Interest or other claim, by the Corporate Guarantor.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it:

- (a) to execute the Underlying Documents to which it is a party and to maintain the relevant Ship in its ownership under the applicable Approved Flag;
- (b) to execute the Finance Documents to which that Borrower is a party; and
- (c) to borrow under this Agreement and to make all the payments contemplated by, and to comply with, those Finance Documents to which that Borrower is a party.

10.5 Consents in force

All the consents referred to in Clause 10.4 remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity; effective Security Interests

The Finance Documents to which each Borrower is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

- (a) constitute that Borrower's legal, valid and binding obligations enforceable against that Borrower in accordance with their respective terms (having the requisite corporate benefit which is legally and economically sufficient); and
- (b) create legal, valid and binding Security Interests (having the priority specified in the relevant Finance Document) enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate, subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6, at the time of the execution and delivery of each Finance Document to which each Borrower is a party:

- (a) that Borrower will have the right to create all the Security Interests which that Finance Document purports to create; and

- (b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts

The execution by each Borrower, the Approved Manager and each other Security Party of each Finance Document and each Underlying Document to which it is a party, and the borrowing by that Borrower (together with the other Borrowers) of the Loan (or any part thereof), and its compliance with each Finance Document and each Underlying Document to which it is a party:

- (a) will not involve or lead to a contravention of:
- (i) any law or regulation; or
 - (ii) the constitutional documents of that Borrower the Approved Manager or other Security Party; or
 - (iii) any contractual or other obligation or restriction which is binding on that Borrower the Approved Manager or other Security Party or any of its assets, and
- (b) will not have a Material Adverse Effect; and
- (c) is for the corporate benefit of that Borrower or each other Security Party.

10.9 No withholding taxes

All payments which each Borrower is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default

No Event of Default or Potential Event of Default has occurred.

10.11 Information

All information which has been provided in writing by or on behalf of the Borrowers, the Approved Manager or any Security Party to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5; all audited and unaudited accounts and financial statements which have been so provided satisfied the requirements of Clause 11.7 and are true, correct and not misleading and present fairly and accurately the financial position of the Borrowers, the Corporate Guarantor or the Group (as the case may be); and there has been no change in the financial position or state of affairs of a Borrower, the Corporate Guarantor or the Group (or any member thereof) from that disclosed in the latest of those accounts which is likely to have a Material Adverse Effect.

10.12 No litigation

No legal or administrative action involving a Borrower, the Approved Manager or any Security Party (including action relating to any alleged or actual breach of the ISM Code or the ISPS Code) has been commenced or taken or, to that Borrower's knowledge, is likely to be commenced or taken which would, in either case, be likely to have a Material Adverse Effect.

10.13 Validity and completeness of Underlying Documents

Each Underlying Document constitutes valid, binding and enforceable obligations of the parties thereto in accordance with its terms and:

- (a) each of the copies of that Underlying Document delivered to the Agent before the date of this Agreement is a true and complete copy; and
- (b) no amendments or additions to that Underlying Document have been agreed nor has any party which is the party to that Underlying Document, waived any of their respective rights thereunder.

10.14 Compliance with certain undertakings

At the date of this Agreement, the Borrowers are in compliance with Clauses 11.2, 11.4, 11.9, 11.13, 13, 14.3 and 14.11 and none of the events listed in Clause 19.1(g) has occurred in respect of any of the Borrowers or any Security Party.

10.15 Taxes paid

Each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or the Ship owned by it.

10.16 ISM Code and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to the Borrowers, the Corporate Guarantor, the Approved Manager and the Ships have been complied with.

10.17 No Money laundering

Each Borrower:

- (a) will not, and will procure that neither the Approved Manager nor a Security Party, to the extent applicable, will, in connection with this Agreement or any of the other Finance Documents, contravene or permit any subsidiary to contravene, any law, official requirement or other regulatory measure or procedure implemented to combat “money laundering” (as defined in Article 1 of the Directive 2015/849/EC of the European Parliament and of the Council of the European Communities) and comparable United States Federal and state laws. Each Borrower shall further submit any documents and declarations on request, if such documents or declarations are required by any Creditor Party to comply with its domestic money laundering and/or legal identification requirements; and
- (b) confirms that it is the beneficiary within the meaning of the German Anti Money Laundering Act (Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten (Geldwäschegesetz)), acting for its own account and not for or on behalf of any other person for each part of the Loan made or to be made available to it under this Agreement. That is to say, it acts for its own account and not for or on behalf of anyone else.

Each Borrower will promptly inform the Agent by written notice, if it is not or ceases to be the beneficiary and will provide in writing the name and address of the beneficiary.

The Agent shall promptly notify the Lenders of any written notice it receives under this Clause 10.17.

10.18 No immunity

No Borrower nor any of its assets is entitled to immunity on grounds of sovereignty or otherwise from any legal action or proceeding (including, without limitation, suit, attachment prior to judgement, execution or other enforcement).

10.19 Choice of law

The choice of the laws of England to govern this Agreement and those other Finance Documents which are expressed to be governed by the laws of England, the laws of Germany to govern the Account Pledges and the laws of the applicable Approved Flag State to govern the Mortgages, constitutes a valid choice of law and the submission by the Borrowers or, as the case may be, the relevant Security Parties thereunder to the non-exclusive jurisdiction of the Courts of England and, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State is a valid submission and does not contravene the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State or the laws of any other Pertinent Jurisdiction, will be applied by the courts of any Pertinent Jurisdiction if this Agreement or those other Finance Documents or any claim thereunder comes under their jurisdiction upon proof of the relevant provisions of the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State.

10.20 Pari passu ranking

The obligations of the Borrowers and each Security Party under the Finance Documents to which it is a party are direct, general and unconditional obligations and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies generally.

10.21 Repetition

The representations and warranties in this Clause 10 shall be deemed to be repeated by the Borrowers:

- (a) on the date of service of the Drawdown Notice;
- (b) on the Drawdown Date; and
- (c) with the exception of Clauses 10.9 and 10.14, on the first day of each Interest Period and on the date of any Compliance Certificate issued pursuant to Clause 11.20,

as if made with reference to the facts and circumstances existing on each such day.

11 GENERAL UNDERTAKINGS

11.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 11 at all times during the Security Period except as the Agent, acting with the authorisation of the Majority Lenders, may otherwise permit in writing.

11.2 Title and negative pledge

Each Borrower will:

- (a) on and from the Drawdown Date, hold the legal title to, and own the entire beneficial interest in its Ship, her Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents and except for Permitted Security Interests; and
- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future.

11.3 No disposal of assets

Subject to Clause 8.8, no Borrower will transfer, lease or otherwise dispose of:

- (a) all or a substantial part of its assets, whether by one transaction or a number of transactions, whether related or not; or
- (b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation,

but paragraph (a) does not apply to any charter of a Ship.

11.4 No other liabilities or obligations to be incurred

No Borrower will enter into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incur any other liability or obligation (including, without limitation, any Financial Indebtedness or any obligations under a guarantee) except:

- (a) liabilities and obligations under the Finance Documents and the Underlying Documents to which it is or, as the case may be, will be a party and under the relevant unsecured guarantee executed by each Borrower under the Senior Secured Notes and the Subordinated Loan Agreements; and
- (b) in relation to Borrower A, any Permitted Financial Indebtedness;
- (c) liabilities or obligations reasonably incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Ship owned by it.

11.5 Information provided to be accurate

All financial and other information, including but not limited to factual information, exhibits and reports, which is provided in writing by or on behalf of a Borrower under or in connection with any Finance Document will be true, correct and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements

Each Borrower will send or procure that there are sent to the Agent:

- (a) as soon as possible, but in no event later than 180 days after the end of each Financial Year of the Corporate Guarantor, the consolidated audited annual financial statements of the Group for that Financial Year (commencing with the financial statements for the Financial Year which ended on 31 December 2021); and

- (b) as soon as possible, but in no event later than 90 days after the end of the 6-month period ending on 30 June in each Financial Year of the Corporate Guarantor, the semi-annual consolidated unaudited financial statements of the Group, for that 6-month period (commencing with the financial statements for the 6-month period ending on 30 June 2022), duly certified as to their correctness by an officer of the Corporate Guarantor; and
- (c) promptly after each request by the Agent, such further financial or other information in respect of that Borrower, a Ship, the Corporate Guarantor, the other Security Parties and the Group (including, without limitation, any information regarding any sale and purchase agreements, investment brochures, shipbuilding contracts, charter agreements and operational expenditures for the Ships) as may be requested by the Agent.

11.7 Form of financial statements

All accounts delivered under Clause 11.6 will:

- (a) be prepared in accordance with all applicable laws and US GAAP and, in the case of any audited financial statements, be certified by an independent and reputable auditor having requisite experience selected and appointed by the relevant Security Party;
- (b) fairly represent the financial condition of the Corporate Guarantor and the Group at the date of those accounts and of their profit for the period to which those accounts relate; and
- (c) fully disclose or provide for all significant liabilities of the Corporate Guarantor and the Group and each of its/their subsidiaries.

11.8 Shareholder and creditor notices

Each Borrower will send the Agent copies of any relevant press releases and, promptly upon its request, copies of all communications which are despatched to that Borrower's shareholders or creditors or any class of them.

11.9 Consents

Each Borrower will maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

- (a) for that Borrower to perform its obligations under any Finance Document or any Underlying Document to which it is a party;
- (b) for the validity or enforceability of any Finance Document or any Underlying Document to which it is a party;
- (c) for that Borrower to continue to own and operate the Ship owned by it,
and that Borrower will comply with the terms of all such consents.

11.10 Maintenance of Security Interests

Each Borrower will:

- (a) at its own cost, do all that it reasonably can to ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document, give any notice or take any other step which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.11 Notification of litigation

Each Borrower will provide the Agent with details of any legal or administrative action involving that Borrower, the Ship owned by it, the Earnings or the Insurances in respect of that Ship, any Security Party or the Approved Manager, as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document, and each Borrower shall procure that all reasonable measures are taken to defend any such legal or administrative action.

11.12 No amendment to Underlying Documents

No Borrower will waive or fail to enforce, the Underlying Documents to which it is a party or any of its provisions and shall promptly notify the Agent of any amendment or supplement to any Underlying Document.

11.13 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated in Clause 28.2(a); and no Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in the United Kingdom or the United States.

11.14 Confirmation of no default

Each Borrower will, within two Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by the officer(s) of that Borrower and which:

- (a) states that no Event of Default or Potential Event of Default has occurred; or
- (b) states that no Event of Default or Potential Event of Default has occurred, except for a specified event or matter, of which all material details are given.

The Agent may serve requests under this Clause 11.14 from time to time but only if asked to do so by a Lender or Lenders having Contributions exceeding 10 per cent. of the Loan or (if no Advances have been made) Commitments exceeding 10 per cent. of the Total Commitments; and this Clause 11.14 does not affect the Borrowers' obligations under Clause 11.15.

11.15 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of:

- (a) the occurrence of an Event of Default or a Potential Event of Default; or

- (b) any matter which indicates that an Event of Default or a Potential Event of Default may have occurred, and will keep the Agent fully up-to-date with all developments.

11.16 Provision of further information

Each Borrower will, as soon as practicable after receiving the request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Earnings or the Insurances; or
- (b) to any other matter relevant to, or to any provision of, a Finance Document, which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.17 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide one copy for each Creditor Party; and if the Agent so requires in respect of any of those documents, the Borrowers will provide a certified English translation prepared by a translator approved by the Agent.

11.18 “Know your customer” checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (b) any change in the composition of the shareholders of the Borrowers or any Security Party after the date of this Agreement; or
- (c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (c), any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or the Lender concerned supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (c), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (c), any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.19 Minimum Liquidity

The Borrowers shall maintain in the Minimum Liquidity Account:

- (a) credit balances in an aggregate amount of not less than the applicable Minimum Liquidity commencing from the Drawdown Date and at all times thereafter throughout the remainder of the Security Period; and

- (b) credit balances in an amount equal to the aggregate of not less than the applicable Additional Minimum Liquidity Amount commencing from the Drawdown Date and at all times thereafter.

11.20 Reserve Amounts

- (a) The Borrowers shall accumulate and maintain the applicable Reserve Amounts into the Reserve Account, starting from the first Repayment Date and thereafter on a quarterly basis until the Final Repayment Date.
- (b) Any part of the Reserve Amounts may only be withdrawn from the Reserve Account with the prior written consent of the Agent for the purpose of covering the incurred and documented (by providing evidence satisfactory to the Agent) costs and expenses (together, the “**Dry Docking Expenses**”) for the next special survey and dry-docking of each Ship, and subject to:
 - (i) the relevant Borrower previously delivering to the Agent, in form and substance satisfactory to the Agent, copies of the invoices and/or proforma invoices to be paid (partially or in full out of the Reserve Amount) in respect of the Dry Docking Expenses; and
 - (ii) no Event of Default or Potential Event of Default having occurred and being continuing at the relevant time or resulting from the release of the Reserve Amount.

11.21 Compliance Certificate

- (a) The Borrowers shall supply to the Agent, a Compliance Certificate together with each set of financial statements delivered pursuant to paragraphs (a) and (b) of Clause 11.6 (commencing with the financial statements of the Corporate Guarantor to be provided for the period ending on 30 June 2022).
- (b) Each Compliance Certificate shall be duly signed by the chief financial officer of the Corporate Guarantor, evidencing (*inter alia*) the Borrowers’ compliance (or not, as the case may be) with the provisions of Clause 11.19, Clause 11.20 and Clause 15.1 and the Corporate Guarantor’s compliance with clause 12.4 of the Corporate Guarantee.

11.22 Repayment of Subordinated Loan Agreements

The Borrowers shall not, and shall procure that the Corporate Guarantor shall not, repay any principal under the Subordinated Loan Agreements until provision of satisfactory evidence to the Agent that the Senior Secured Notes Indebtedness has been satisfied and discharged in its entirety and the full amount payable pursuant to Clause 8.13 (*cash sweep*) has been paid and prepaid against the Loan outstanding.

12 CORPORATE UNDERTAKINGS

12.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 12 at all times during the Security Period except as the Agent, acting with the authorisation of the Majority Lenders, may otherwise permit in writing.

12.2 Maintenance of status

Each Borrower will maintain its separate corporate existence and remain in good standing under the laws of, in relation to Borrower A, Belgium, in relation to Borrower B, Panama, in relation to Borrower C, the Republic of Liberia and in relation to Borrowers D, E and F, the Republic of the Marshall Islands.

12.3 Negative undertakings

No Borrower will:

- (a) change the nature of its business or carry on any business other than the ownership, chartering and operation of the Ship owned by it;
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital if an Event of Default has occurred and is continuing at the relevant time or an Event of Default will result from the payment of a dividend or the making of any other form of distribution;
- (c) provide any form of credit or financial assistance to:
 - (i) a person who is directly or indirectly interested in that Borrower's share or loan capital; or
 - (ii) any company in or with which such a person is directly or indirectly interested or connected,or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length;
- (d) open or maintain any account with any bank or financial institution except accounts with the Agent, the Account Bank and the Security Trustee for the purposes of the Finance Documents;
- (e) issue, allot or grant any person a right to any shares in its capital or repurchase or reduce its issued share capital;
- (f) acquire any shares or other securities other than short term debt obligations or Treasury bills issued by the US, the UK or a Participating Member State and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative, save in relation to Borrower A in the ordinary course of business of chartering, operating and trading vessels; or
- (g) enter into any form of amalgamation, merger or de-merger, acquisition, divesture, split-up or any form of reconstruction or reorganisation.

12.4 Corporate Guarantor's Subsidiaries

The Borrowers shall provide the Agent with a list of the Borrowers' and the Corporate Guarantor's (direct and indirect) subsidiaries at the date of this Agreement (together with information requested by the Agent pursuant to Clause 11.6(c) in respect of such subsidiaries) and shall promptly update this list from time to time to advise the Agent of any amendments to the information included in the original list delivered to the Agent, unless such information is included in the financial statement or periodic public filings of the Corporate Guarantor.

13 INSURANCE

13.1 General

Each Borrower also undertakes with each Creditor Party, on and from the Drawdown Date, to comply with the following provisions of this Clause 13, except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks);
- (b) war risks (including, without limitation, protection and indemnity war risks with a separate limit not less than hull value of the relevant Ship);
- (c) protection and indemnity risks (including, without limitation, protection and indemnity war risks in excess of the amount for war risks (hull) and oil pollution liability risks) in each case in the highest amount available in the international insurance market; and
- (d) any other risks the insurance of which the Security Trustee (acting on the instructions of the Majority Lenders), having regard to practices, recommendations and other circumstances prevailing at the relevant time, may from time to time require by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances in such amounts in such currency and upon such terms and conditions (including, without limitation, any LSW 1189 or, in the opinion of the Security Trustee, comparable mortgage clause) as shall from time to time be approved in writing by the Security Trustee in its sole discretion, but in any event as follows:

- (a) in Dollars;
- (b) in the case of fire and usual marine risks and war risks, on an agreed value basis in an amount equal to at least the higher of (i) an amount which is equal to 120 per cent. of the aggregate of (A) the Loan multiplied by a fraction whose: (1) nominator is the Market Value of the Ship owned by the relevant Borrower(s); and (2) denominator is the Market Value of all Mortgaged Ships and (B) the principal amount secured by any equal or prior ranking Security Interest on that Ship and (ii) the Market Value of that Ship;
- (c) in the case of oil pollution liability risks, for an amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry (with the International Group of Protection and Indemnity Clubs) and the international marine insurance market (currently \$1,000,000,000 for any one accident or occurrence);
- (d) in relation to protection and indemnity risks in respect of the full value and tonnage of that Ship;

- (e) in relation to war risks insurance, extended to cover piracy and terrorism where excluded under the fire and usual marine risks insurance;
- (f) on approved terms and conditions;
- (g) such other risks of whatever nature and howsoever arising in respect of which insurance would be maintained by a prudent owner of a vessel similar to that Ship; and
- (h) through approved brokers and with approved insurance companies and/or underwriters which have a Standard & Poor's rating of at least BBB- or a comparable rating by any other rating agency acceptable to the Security Trustee (acting on the instructions of the Majority Lenders) or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations which are members of the International Group of Protection and Indemnity Clubs.

13.4 Further protections for the Creditor Parties

In addition to the terms set out in Clause 13.3, each Borrower shall and shall procure that:

- (a) it and any and all third parties who are named assured or co-assured under any obligatory insurance shall assign their interest in any and all obligatory insurances and other Insurances if so required by the Agent;
- (b) whenever the Security Trustee requires, the obligatory insurances name (or be amended to name) the Security Trustee as additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation they may have under any applicable law against the Security Trustee but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) the interest of the Security Trustee as assignee and as loss payee shall be duly endorsed on all slips, cover notes, policies, certificates of entry or other instruments of insurance in respect of the obligatory insurances;
- (d) the obligatory insurances shall name the Security Trustee as sole loss payee with such directions for payment as the Security Trustee may specify;
- (e) the obligatory insurances shall provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (f) the obligatory insurances shall provide that the insurers shall waive, to the fullest extent permitted by English law, their entitlement (if any) (whether by statute, common law, equity, or otherwise) to be subrogated to the rights and remedies of the Security Trustee in respect of any rights or interests (secured or not) held by or available to the Security Trustee in respect of the Secured Liabilities, until the Secured Liabilities shall have been fully repaid and discharged, except that the insurers shall not be restricted by the terms of this paragraph (f) from making personal claims against persons (other than the Borrowers or any Creditor Party) in circumstances where the insurers have fully discharged their liabilities and obligations under the relevant obligatory insurances;

- (g) the obligatory insurances shall provide that the obligatory insurances shall be primary without right of contribution from other insurances effected by the Security Trustee or any other Creditor Party;
- (h) the obligatory insurances shall provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and
- (i) the obligatory insurances shall provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Security Trustee, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall only be effective against the Security Trustee 14 days (or 7 days in the case of war risks) after receipt by the Security Trustee of prior written notice from the insurers of such cancellation, change or lapse.

13.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 14 days before the expiry of any obligatory insurance effected by it:
 - (i) notify the Security Trustee of the brokers, underwriters, insurance companies and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that obligatory insurance and of the proposed terms and conditions of renewal; and
 - (ii) seek the Security Trustee's approval to the matters referred to in paragraph (i);
- (b) at least 7 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (a); and
- (c) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that all approved brokers provide the Security Trustee with pro forma copies of all cover notes and policies relating to the obligatory insurances which they are to effect or renew and of a letter or letters of undertaking in a form required by the Security Trustee and including undertakings by the approved brokers that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4;
- (b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;
- (c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;
- (d) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the Borrower(s) or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and

- (e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by the relevant Borrower(s) under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Security Trustee.

13.7 Copies of certificates of entry; letters of undertaking

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by the relevant Borrower(s) is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship;
- (b) a letter or letters of undertaking in such form as may be required by the Security Trustee;
- (c) where required to be issued under the terms of insurance/indemnity provided by the relevant Borrower(s)'s protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or other similar document or documents) made by that Borrower in accordance with the requirements of such protection and indemnity association; and
- (d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority or, as the case may be, protection and indemnity associations in relation to that Ship (if applicable).

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances effected by it are deposited with the approved brokers through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Compliance with terms of insurances

Each Borrower shall not do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular it shall:

- (a) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in Clause 13.6(c)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;
- (b) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) make (and promptly supply copies to the Agent) of all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which that Ship is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) and, if applicable, shall procure that the Approved Manager complies with this requirement; and
- (d) not employ that Ship, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.12 Alteration to terms of insurances

Each Borrower shall neither make nor agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

13.13 Settlement of claims

No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances and shall do all things necessary to ensure such collection or recovery is made.

13.14 Provision of copies of communications

Each Borrower shall provide the Security Trustee, when so requested, copies of all written communications between that Borrower and:

- (a) the approved brokers;
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.15 Provision of information and further undertakings

In addition, each Borrower shall promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
 - (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.16 or dealing with or considering any matters relating to any such insurances,
- and that Borrower shall:
- (i) do all things necessary and provide the Agent and the Security Trustee with all documents and information to enable the Security Trustee to collect or recover any moneys in respect of the Insurances which are payable to the Security Trustee pursuant to the Finance Documents; and
 - (ii) promptly provide the Agent with full information regarding any Major Casualty in consequence whereof the Ship owned by that Borrower has become or may become a Total Loss and agree to any settlement of such casualty or other accident or damage to that Ship only with the Agent's prior written consent,

and that Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a).

13.16 Mortgagee's interest and additional perils insurances

The Security Trustee shall be entitled from time to time to effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Majority Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest insurance providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document (in an amount which is equal to 120 per cent. of the aggregate of (A) the Loan multiplied by a fraction whose: (1) nominator is the Market Value of the Ship owned by the relevant Borrower(s); and (2) denominator is the Market Value of all Mortgaged Ships and (B) the principal amount secured by any equal or prior ranking Security Interest on that Ship) which directly or indirectly result from loss of or damage to a Ship or a liability of that Ship or of the relevant Borrower(s) owning that Ship, being a loss or damage which is *prima facie* covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of an allegation concerning:
 - (i) any act or omission on the part of the relevant Borrower(s), of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
 - (ii) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of the relevant Borrower(s), any other person referred to in paragraph (i) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or that Ship being unseaworthy; and/or

- (iii) any other matter capable of being insured against under a mortgagee's interest marine insurance policy whether or not similar to the foregoing; and
- (b) a mortgagee's interest additional perils insurance providing for the indemnification of the Creditor Parties against, among other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of a Ship, the imposition of any Security Interest over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy whether or not similar to the foregoing, and in an amount which is equal to 110 per cent. of the aggregate of (A) the Loan multiplied by a fraction whose: (1) nominator is the Market Value of the Ship owned by the relevant Borrower(s); and (2) denominator is the Market Value of all Mortgaged Ships and (B) the principal amount secured by any equal or prior ranking Security Interest on that Ship, and the Borrowers shall upon demand fully indemnify the Security Trustee in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

13.17 Review of insurance requirements

The Security Trustee shall be entitled to review the requirements of this Clause 13 from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Agent (acting on the instructions of the Majority Lenders), significant and capable of affecting the Borrowers, each Ship and its Insurances (including, without limitation, changes in the availability or the cost of insurance coverage or the risks to which the relevant Borrower(s) owning that Ship may be subject) and the Borrowers shall upon demand fully indemnify the Agent in respect of all fees and other expenses incurred by or for the account of the Agent in appointing an independent marine insurance broker or adviser to conduct such review.

13.18 Modification of insurance requirements

The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.17 to the requirements of this Clause 13 which the Security Trustee reasonably considers appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 and shall bind the Borrowers accordingly.

13.19 Compliance with mortgagee's instructions

The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the relevant Borrower(s) owning that Ship implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.18.

14 SHIP COVENANTS

14.1 General

Each Borrower also undertakes with each Creditor Party on and from the Drawdown Date to comply with the following provisions of this Clause 14 at all times during the Security Period except as the Agent, acting with the authorisation of the Majority Lenders, may otherwise permit in writing.

14.2 Ship's name and registration

Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag; shall not do, omit to do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not change the name or port of registry of that Ship.

14.3 Repair and classification

Each Borrower shall, and shall procure that the Approved Manager shall, keep the Ship owned by it in a good and safe condition and state of repair, sea and cargo worthy in all respects:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class free of overdue recommendations and conditions, with a classification society which is a member of IACS (other than the China Classification Society, the Indian Shipping of Register, India and the Russian Maritime Registry of Shipping) and acceptable to the Agent; and
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports in the applicable Approved Flag State or to vessels trading to any jurisdiction to which that Ship may trade from time to time, including but not limited to the ISM Code and the ISPS Code, and the Agent shall be given power of attorney in the form attached as Schedule 6 to act on behalf of the relevant Borrower(s) in order to, inspect the class records and any files held by the classification society and to require the classification society to provide the Agent or any of its nominees with any information, document or file, it might request and the classification society shall be fully entitled to rely hereon without any further inquiry.

14.4 Classification society undertaking

Each Borrower shall instruct the classification society referred to in Clause 14.3 (and procure that the classification society undertakes with the Security Trustee) in relation to its Ship:

- (a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records and any other related records held by the classification society in relation to the Ship owned by that Borrower;
- (b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Ship at the offices of the classification society and to take copies of them;

- (c) to notify the Security Trustee immediately in writing if the classification society:
 - (i) receives notification from that Borrower or any person that that Ship's classification society is to be changed; or
 - (ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of that Ship's class under the rules or terms and conditions of the relevant Borrower's or that Ship's membership of the classification society;
- (d) following receipt of a written request from the Security Trustee:
 - (i) to confirm that the relevant Borrower(s) is not in default of any of its contractual obligations or liabilities to the classification society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the classification society; or
 - (ii) if the relevant Borrower(s) is in default of any of its contractual obligations or liabilities to the classification society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences thereof, and any remedy period agreed or allowed by the classification society.

14.5 Hazardous materials and sustainable dismantling

- (a) Each Borrower shall carry on board of its Ship the inventory of hazardous materials required by the classification society of the Ship on board that Ship.
- (b) Each Borrower shall ensure that in the event its Ship is permanently put out of service, it is dismantled at, or sold for dismantling only to buyers that undertake to dismantle the Ship at, a ship yard complying with such standards as are required by the Hong Kong International Convention for the safe and environmentally sound recycling of ships of 15 May 2009 or by the regulation (EG) no 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste.

14.6 Modification

No Borrower shall make any modification or repairs to, or replacement of, its Ship or equipment installed on it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.7 Removal of parts

No Borrower shall remove any material part of its Ship, or any item of equipment installed on that Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on that Ship the property of the relevant Borrower(s) and subject to the security constituted by the relevant Mortgage **Provided that** a Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by it.

14.8 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee provide the Security Trustee, with copies of all survey reports.

14.9 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by that Borrower at all reasonable times to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections at the Borrower's expense (which if no Event of Default has occurred and is continuing shall be limited to once in each calendar year).

14.10 Prevention of and release from arrest

Each Borrower shall promptly discharge:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Ship owned by it, the Earnings or the Insurances;
 - (b) all taxes, dues and other amounts charged in respect of that Ship, the Earnings or the Insurances; and
 - (c) all other outgoings whatsoever in respect of that Ship, the Earnings or the Insurances,
- and, forthwith upon receiving notice of the arrest of that Ship, or of its detention in exercise or purported exercise of any lien or claim, that Borrower shall procure its release by providing bail or otherwise as the circumstances may require.

14.11 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with the ISM Code, the ISPS Code, all Environmental Laws and all other laws or regulations relating to the Ship owned by it, its ownership, operation and management or to the business of that Borrower;
- (b) not employ the Ship owned by it nor allow its employment in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code and the ISPS Code; and
- (c) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit that Ship to enter or trade to any zone which is declared a war zone by any government or by the Ship's war risks insurers unless the prior written consent of the Security Trustee has been given and that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Security Trustee may require.

14.12 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which it requests regarding:

- (a) the Ship owned by it, its employment, position and engagements;

- (b) the Earnings and payments and amounts due to the master and crew of that Ship;
- (c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made in respect of that Ship;
- (d) any towages and salvages; and
- (e) its compliance, the Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code, and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, of any current charter guarantee and copies of that Borrower's or the Approved Manager's Document of Compliance, Safety Management Certificate and the ISSC.

14.13 Notification of certain events

Each Borrower shall:

- (a) before entering into:
 - (i) any demise charter for any period in respect of its Ship; or
 - (ii) any other Assignable Charter,

notify the Agent and provide copies of any draft charter relating to its Ship and, if applicable, any draft charter guarantee and the Borrower(s) shall be entitled to enter into such charter without the consent of the Creditor Parties **Provided that:**

- (A) the relevant Borrower(s) executes in favour of the Security Trustee a specific assignment of all its rights, title and interest in and to such charter and any charter guarantee in the form of a Charterparty Assignment;
- (B) the charterer and any charter guarantor receive a notice (1) of the specific assignment of such charter and charter guarantee and (2) that the Mortgage over that Ship has been registered prior to the entry into such charter;
- (C) in the case where such charter is a demise charter the charterer undertakes to the Security Trustee (1) to comply with all of the relevant Borrower's undertakings with regard to the employment, insurances, operation, repairs and maintenance of its Ship contained in this Agreement, the Mortgage and the General Assignment in relation to that Ship and (2) to provide an assignment of its interest in the insurances of the Ship in the Agreed Form;
- (D) the relevant Borrower(s) provides certified true and complete copies of the charter relating to its Ship and of any current charter guarantee, if any, promptly after its execution;
- (E) the Agent's receipt of a copy of the charter and its failure or neglect to act, delay or acquiescence in connection with the relevant Borrower's entering into such charter shall not in any way constitute an acceptance by the Agent of whether or not the Earnings under the charter are sufficient to meet the debt service requirements under this Agreement nor shall it in any way affect the Agent's or the Security Trustee's entitlement to exercise its rights under the Finance Documents pursuant to Clause 19 upon the occurrence of an Event of Default arising as a result of an act or omission of the charterer; and

(F) the Borrower delivers to the Agent such other documents equivalent to those referred to at paragraphs 2, 3, 4, 5, 7, 8 and 9 of Schedule 3, Part A as the Agent may require; and

(b) immediately notify the Security Trustee by letter, of:

- (i) its entry into any agreement or arrangement for the postponement of any date on which any Earnings are due, the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of that Borrower to any Earnings;
- (ii) its entry into any time or consecutive voyage charter in respect of that Ship for a term which exceeds, or which by virtue of any optional extensions may exceed, 12 months;
- (iii) any casualty which is or is likely to be or to become a Major Casualty;
- (iv) any occurrence as a result of which the Ship owned by it has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (v) any requirement, overdue condition or recommendation made by any insurer or classification society or by any competent authority which is not complied with in accordance with its terms;
- (vi) any arrest or detention of that Ship, any exercise or purported exercise of any lien on that Ship or its Earnings or any requisition of that Ship for hire;
- (vii) any unscheduled dry docking of that Ship;
- (viii) any Environmental Claim made against that Borrower or in connection with that Ship, or any Environmental Incident;
- (ix) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, the Approved Manager or otherwise in connection with that Ship;
- (x) its intention to de-activate or lay up its Ship; or
- (xi) any other matter, event or incident, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and that Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of that Borrower's, the Approved Manager's or any other person's response to any of those events or matters.

14.14 Restrictions on chartering, appointment of managers etc.

No Borrower shall, save for the relevant Initial Charter, in relation to the Ship owned by it:

- (a) enter into any charter in relation to that Ship under which more than two months' hire (or the equivalent) is payable in advance;

- (b) charter that Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;
- (c) appoint a manager of that Ship other than the Approved Manager; or
- (d) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless that person has first given to the Security Trustee and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or its Earnings for the cost of such work or for any other reason.

14.15 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against that Ship as a valid first preferred or, as the case may be, priority mortgage, carry on board that Ship a certified copy of that Mortgage and place and maintain in a conspicuous place in the navigation room and the Master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Trustee.

14.16 Sharing of Earnings

No Borrower shall enter into any agreement or arrangement for the sharing of any Earnings (other than (i) any profit sharing agreement with a charterer which takes effect above an agreed minimum charter hire rate payable to the relevant Borrower under a charter to which that Borrower is a party and (ii) any pool agreement, in either case, on bona fide arm's length terms).

14.17 ISPS Code

Each Borrower shall comply with the ISPS Code and in particular, without limitation, shall:

- (a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and
- (b) maintain for that Ship an ISSC; and
- (c) notify the Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

15 SECURITY COVER

15.1 Minimum required security cover

Clause 15.2 applies if the Agent notifies the Borrowers that the Security Cover Ratio is below 133 per cent.

15.2 Prepayment; provision of additional security

If the Agent serves a notice on the Borrowers under Clause 15.1, the Borrowers shall prepay such part at least of the Loan as will eliminate the shortfall on or before the date falling 14 Business Days after the date on which the Agent's notice is served under Clause 15.1 (the "**Prepayment Date**") unless at least five calendar days before the Prepayment Date the Borrowers have provided, or ensured that a third party has provided, additional security which, in the reasonable opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall and is documented in such terms as the Agent may, with the authorisation of the Majority Lenders, approve or require.

15.3 Valuation of Ships

The Market Value of a Ship:

- (a) for the purposes of the Initial Market Value, is that shown in one valuation addressed to the Agent issued by one Approved Broker to be nominated and appointed by the Agent. If the Borrowers do not agree with such valuation, the Borrowers can nominate another Approved Broker to provide a second valuation addressed to the Agent and appointed by the Agent, in which case the Initial Market Value is that shown by taking the arithmetic average of such two valuations. If the difference between these two valuations is greater than 15 per cent. paragraph (d) of this Clause 15.3 shall be applicable; and
- (b) at any other date, is that shown in one valuation addressed to the Agent to be issued by an Approved Broker, nominated and appointed by the Borrowers and addressed to the Agent (the “**First Valuation**”) unless the Agent obtains a second valuation issued by an Approved Broker nominated and appointed by the Agent (the “**Second Valuation**”) in which case the Market Value of the relevant Ship at the relevant date is that shown:
 - (i) if the difference between the First Valuation and the Second Valuation is less than 10 per cent., by the First Valuation; and
 - (ii) if the difference between the First Valuation and the Second Valuation is greater than 10 per cent. but less than 15 per cent. or less, by taking the arithmetic average of such two valuations,
- (c) each valuation issued pursuant to paragraphs (a) and (b) of this Clause 15.3 to be prepared:
 - (A) as at a date not more than 30 days previously;
 - (B) with or without physical inspection of that Ship (as the Agent may require); and
 - (C) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment; and
- (d) if the difference between 2 valuations in respect of a Ship obtained at any one time, in each case, pursuant to this Clause 15.3 is greater than 15 per cent. a valuation shall be commissioned from a third Approved Broker selected and appointed by the Agent. Such valuation to be conducted in accordance with this Clause 15.3 and the Market Value of that Ship in such circumstances shall be the arithmetic average of all three valuations.

15.4 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 15.2 and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.3.

15.5 Valuations binding

Any valuation under Clause 15.2, 15.3 or 15.4 shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of any additional security which does not consist of or include a Security Interest.

15.6 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.3 or 15.4 with any information which the Agent or that Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which that Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.7 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.2, 20.3 and 21.3, the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker or expert instructed by the Agent under this Clause and all legal and other expenses incurred by any Creditor Party in connection with any matter arising out of this Clause.

15.8 Frequency of valuations

The Borrowers shall provide the Agent with a valuation of each Ship, dated as of June or, as the case may be, December of each calendar year during the Security Period, within the month of July or January following thereafter respectively and the Agent may, otherwise, request valuations to determine the Borrowers' compliance under Clause 15.1 not less than twice during each 12-month period during the Security Period.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made by the Lenders or by any Borrower under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:

- (a) by not later than 11.00 a.m. (New York City time) on the due date;
- (b) in same day Dollar funds settled through the New York Clearing House Interbank Payments System (or in such other Dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);
- (c) in the case of an amount payable by a Lender to the Agent or by any Borrower to the Agent or any Lender, to the account of the Agent at J.P. Morgan Chase Bank (SWIFT Code CHASUS33) (Account No. 001 1331 808 in favour of Hamburg Commercial Bank AG, SWIFT Code HSHNDEHH; Reference "Alegria Shipping Corporation *et al*") or to such other account with such other bank as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
- (d) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by any Borrower under a Finance Document would otherwise fall due on a day which is not a Business Day:

- (a) the due date shall be extended to the next succeeding Business Day; or
 - (b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day,
- and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 Basis for calculation of periodic payments

All interest and commitment fee and any other payments under any Finance Document which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

16.4 Distribution of payments to Creditor Parties

Subject to Clauses 16.5, 16.6 and 16.7:

- (a) any amount received by the Agent under a Finance Document for distribution or remittance to a Lender or the Security Trustee shall be made available by the Agent to that Lender or, as the case may be, the Security Trustee by payment, with funds having the same value as the funds received, to such account as the Lender or the Security Trustee may have notified to the Agent not less than five Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to any Borrower or any Lender any sum which the Agent is expecting to receive for remittance or distribution to that Borrower or that Lender until the Agent has satisfied itself that it has received that sum.

16.7 Refund to Agent of monies not received

If and to the extent that the Agent makes available a sum to a Borrower or a Lender, without first having received that sum, that Borrower or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and
- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.10 Agent's memorandum account

The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to the Agent, the Security Trustee and each Lender from the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.11 Accounts prima facie evidence

If any accounts maintained under Clauses 16.9 and 16.10 show an amount to be owing by a Borrower or a Security Party to a Creditor Party, those accounts shall be *prima facie* evidence that that amount is owing to that Creditor Party.

17 APPLICATION OF RECEIPTS

17.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following order and proportions:
 - (i) firstly, in or towards satisfaction pro rata of all amounts then due and payable to the Creditor Parties under the Finance Documents (including, but without limitation, all amounts payable by any Borrower under Clauses 20, 21 and 22 of this Agreement or by any Borrower or any Security Party under any corresponding or similar provision in any other Finance Document) other than those amounts referred to at paragraphs (ii) and (iii);

- (ii) secondly, in or towards satisfaction pro rata of any and all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction of the Loan; and
- (b) SECONDLY: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Agent, by notice to the Borrowers (or any of them), the Security Parties and the other Creditor Parties, states in its opinion will either or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the provisions of Clause 17.1(a); and
- (c) THIRDLY: any surplus shall be paid to the Borrowers or to any other person appearing to be entitled to it.

17.2 Application by any covered bond Lender

If and to the extent that any Lender includes the Loan and/or a Mortgage in its covered bond register, any enforcement proceeds recovered under the Finance Documents and attributable to it under the relevant Finance Document shall, notwithstanding the provisions of Clause 17.1(a), be applied by it first to the part of the Loan that corresponds to that Lender's Contribution registered in its covered bond register and thereafter in the following order:

- (a) firstly, in or towards satisfaction of the amounts set out under Clause 17.1(a)(i);
- (b) secondly, in or towards satisfaction of the amounts set out under Clause 17.1(a)(ii); and
- (c) thirdly, in or towards satisfaction of any part of the Loan that corresponds to any unregistered part of that Lender's contribution.

17.3 Variation of order of application

The Agent may, with the authorisation of the Majority Lenders, by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 17.1 (but not, for the avoidance of doubt, that set out in Clause 17.2) either as regards a specified sum or sums or as regards sums in a specified category or categories.

17.4 Notice of variation of order of application

The Agent may give notices under Clause 17.3 from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

17.5 Appropriation rights overridden

This Clause 17 and any notice which the Agent gives under Clause 17.3 shall override any right of appropriation possessed, and any appropriation made, by any Borrower or either Security Party.

18 APPLICATION OF EARNINGS

18.1 Payment of Earnings

Each Borrower undertakes with each Creditor Party that, throughout the Security Period (and subject only to the provisions of the General Assignment to which it is a party):

- (a) it shall maintain the Accounts with the Account Bank; and
- (b) it shall ensure that all Earnings of the Ship owned by it are paid to the Earnings Account for that Ship; and
- (c) the Minimum Liquidity Amount and the Additional Minimum Liquidity Amount required pursuant to Clause 11.19 (*Minimum Liquidity*) shall be maintained in the Minimum Liquidity Account.
- (d) the applicable Reserve Amounts required pursuant to Clause 11.20 (*Reserve Amounts*) shall be accumulated and maintained in the Reserve Account unless withdrawn as per Clause 11.20 (*Reserve Amounts*).

18.2 Monthly retentions

The Borrowers undertake with each Creditor Party to ensure that, on and from the date falling one month after the Drawdown Date and at monthly intervals thereafter during the Security Period, there are transferred to the Retention Account out of the Earnings received in the relevant Earnings Account during the preceding month:

- (a) one-third of the amount of the relevant Instalment falling due under Clause 8.1 on the next Repayment Date; and
- (b) the relevant fraction of the aggregate amount of interest which is payable on the next due date for payment of interest under this Agreement, and the Borrowers irrevocably authorise the Agent to make those transfers (in its sole discretion and without any obligation) if the Borrowers fail to do so.

The “**relevant fraction**”, in relation to paragraph (b), is a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period (or if the current Interest Period ends after the next due date for payment of interest under this Agreement, the number of months from the later of the commencement of the current Interest Period or the last due date for payment of interest to the next due date for payment of interest under this Agreement).

18.3 Shortfall in Earnings

If the aggregate Earnings received in each Earnings Account are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 18.2, the Borrowers shall immediately pay the amount of the insufficiency into the Retention Account.

18.4 Application of retentions

Until an Event of Default or a Potential Event of Default occurs, the Agent shall, to the extent there are sufficient funds standing to the credit of the Retention Account, on each Repayment Date and on each due date for the payment of interest under this Agreement distribute to the Lenders in accordance with Clause 16.4 so much of the then balance on the Retention Account as equals:

- (a) the Instalment due on that Repayment Date pursuant to Clause 8.1; or

- (b) the amount of interest in respect of the Loan payable on that interest payment date, in discharge of the Borrowers' liability for that Instalment or that interest.

18.5 Interest accrued on the Accounts

Any credit balance on each Account shall bear interest at the rate from time to time offered by the Agent to its customers for Dollar deposits of similar amounts and for periods similar to those for which such balances appear to the Agent likely to remain on that Account.

18.6 Release of accrued interest

Interest accruing under Clause 18.5 shall be credited to the relevant Account and may be released to the relevant Borrower pursuant to Clause 18.10.

18.7 Location of Accounts

Each Borrower shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of the Accounts (or any of them); and
- (b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over (and/or rights of set-off, consolidation or other rights in relation to) the Accounts.

18.8 Debits for fees, expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit any Earnings Account without prior notice in order to discharge any amount due and payable under Clauses 20 or 21 to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clauses 20 or 21.

18.9 Borrowers' obligations unaffected

The provisions of this Clause 18 (as distinct from a distribution effected under Clause 18.4) do not affect:

- (a) the liability of the Borrowers to make payments of principal and interest on the due dates; or
- (b) any other liability or obligation of the Borrowers or any Security Party under any Finance Document.

18.10 Restriction on withdrawal

During the Security Period no sum may be withdrawn by a Borrower from the Retention Account (other than interest pursuant to Clause 18.6, provided that no Event of Default or Potential Event of Default has occurred which is continuing), without the prior written consent of the Agent.

The Borrowers may, in any calendar month, after having transferred and/or after having taken into account all amounts due or which will become due to be transferred to the Retention Account in such calendar month in accordance with Clause 18.2, withdraw any surplus (a “**Surplus**”) from the Earnings Accounts (or any of them) as they may think fit for purposes permitted by this Agreement and the other Finance Documents **Provided always** no Event of Default or Potential Event of Default has occurred which is continuing in which case any Surplus shall remain on the relevant Earnings Account and the Borrowers may only withdraw the Surplus (or any part thereof) with the prior written consent of the Agent (acting upon the instructions of the Majority Lenders) in order to satisfy the documented and properly incurred operating expenses of the Ships (or any of them).

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) any Borrower or any Security Party fails to pay when due or (if so payable) on demand any sum payable under a Finance Document or under any document relating to a Finance Document unless:
 - (i) its failure to pay is caused by administrative or technical error or a Disruption Event; and
 - (ii) payment is made within 3 Business Days; or
- (b) any breach occurs of Clause 9.2, 11.2, 11.3, 11.18, 11.19, 12.2, 12.3 or 15.2 or clause 12.4 of the Corporate Guarantee; or
- (c) any breach by any Borrower, the Approved Manager or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b)) which, in the reasonable opinion of the Majority Lenders, is capable of remedy, and such default continues unremedied 30 Business Days (or any other grace period agreed by the Agent) after written notice from the Agent requesting action to remedy the same; or
- (d) (subject to any applicable grace period specified in the Finance Documents) any material breach by any Borrower, the Approved Manager or any Security Party occurs of any provision of a Finance Document (other than a breach falling within paragraphs (a), (b) or (c)); or
- (e) any representation, warranty or statement made or repeated by, or by an officer of, a Borrower, the Approved Manager or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading in any material respect when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person:
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due unless the Relevant Person is contesting its obligation to pay the relevant amount in good faith and on substantial grounds and by appropriate proceedings and adequate reserves have been set aside for its payment if such proceedings fail; or

- (ii) any Financial Indebtedness of a Relevant Person which in the case of any Relevant Person other than any Borrower exceeds \$10,000,000 (or the equivalent in any other currency in aggregate), becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default; or
 - (iii) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person which in the case of any Relevant Person other than any Borrower exceeds \$10,000,000 (or the equivalent in any other currency in aggregate) ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or
 - (iv) any Security Interest securing any Financial Indebtedness of a Relevant Person, which in the case of any Relevant Person other than any Borrower exceeds an amount of \$10,000,000 (or the equivalent in any other currency in aggregate), becomes enforceable; or
- (g) any of the following occurs in relation to a Relevant Person:
- (i) a Relevant Person becomes, in the reasonable opinion of the Majority Lenders, unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress or any form of freezing order which in the case of any Relevant Person other than any Borrower exceeds \$10,000,000 (or the equivalent in any other currency in aggregate), and such execution, attachment, arrest, sequestration, distress or freezing order is not withdrawn within thirty (30) Business Days; or
 - (iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or
 - (iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or
 - (v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors or officers of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or
 - (vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or
 - (vii) a resolution is passed, an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (aa) a Relevant Person, (bb) the shareholders, directors or officers of a Relevant Person, (cc) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (dd) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant

Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than any Borrower or the Corporate Guarantor or the Shareholder which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Majority Lenders and effected not later than three months after the commencement of the winding up; or

- (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administration is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 60 days of being made or presented, or (bb) within 60 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there will be no administration and (in both cases (aa) or (bb)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or
 - (ix) a Relevant Person or its directors or officers take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt) or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or
 - (x) any meeting of the shareholders or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the shareholders, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
 - (xi) in a Pertinent Jurisdiction other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the reasonable opinion of the Majority Lenders is similar to any of the foregoing; or
- (h) any Borrower ceases or suspends carrying on its business or a part of its business which, in the reasonable opinion of the Majority Lenders, is material in the context of this Agreement; or

- (i) it becomes unlawful in any Pertinent Jurisdiction or impossible:
 - (i) for any Borrower, the Approved Manager or any Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or
 - (ii) for the Agent, the Security Trustee or the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or
- (j) any official consent necessary to enable any Borrower to own, operate or charter the Ship owned by it or to enable any Borrower, the Approved Manager or any Security Party to comply with any provision which the Majority Lenders reasonably consider material of a Finance Document or any Underlying Document is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent is not fulfilled unless such revocation is validly contested in good faith by the Borrower, the Approved Manager or, as the case may be, that Security Party; or
- (k) it appears to the Majority Lenders that, without their prior consent, either (i) a Change of Control has occurred or probably has occurred after the date of this Agreement or, (ii) the Corporate Guarantor ceases being the direct legal and beneficial owner of the shares in the Shareholder and the voting rights attaching to those shares or (iii) the Shareholder ceases being the direct legal and beneficial owner of the shares in the relevant Borrower and of the voting rights attaching to those shares; or
- (l) any provision which the Majority Lenders reasonably consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim or interest (excluding any Permitted Security Interests); or
- (m) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (n) any Borrower, the Approved Manager or any Security Party or any other person (other than a Creditor Party) repudiates any of the Finance Documents to which that Borrower, the Approved Manager or that Security Party or person is a party or evidences an intention to do so; or
- (o) any other event occurs or any other circumstances arise or develop including, without limitation:
 - (i) a change in the financial position, state of affairs or prospects of any Borrower, the Corporate Guarantor or any other Security Party; or
 - (ii) the commencement of legal or administrative action involving a Borrower, a Ship, either of the Approved Manager or any Security Party; or
 - (iii) the withdrawal of any material license or governmental or regulatory approval in respect of a Ship, a Borrower, the Approved Manager or any Borrower's or Approved Manager's business (unless such withdrawal can be contested with the effect of suspension and is in fact so contested in good faith by the Borrowers or the Approved Manager),

which in the reasonable opinion of the Lenders constitutes a Material Adverse Change.

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default:

- (a) the Agent may, and if so instructed by the Majority Lenders, the Agent shall:
 - (i) serve on the Borrowers a notice stating that all or part of the Commitments and of the other obligations of each Lender to the Borrowers under this Agreement are cancelled; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan together with accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under paragraph (i) or (ii), the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Majority Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under paragraph (a)(i) or (a)(ii), the Security Trustee, the Agent, the Mandated Lead Arranger and/or the Lenders are entitled to take under any Finance Document or any applicable law.

19.3 Termination of Commitments

On the service of a notice under Clause 19.2(a)(i), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall be cancelled.

19.4 Acceleration of Loan

On the service of a notice under Clause 19.2(a)(ii), all or, as the case may be, the part of the Loan specified in the notice together with accrued interest and all other amounts accrued or owing from the Borrowers or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice

The Agent may serve notices under Clauses 19.2(a)(i) or 19.2(a)(ii) simultaneously or on different dates and it and/or the Security Trustee may take any action referred to in Clause 19.2 if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each Lender, the Security Trustee, the Approved Manager and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2; but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide any Borrower, the Approved Manager or any Security Party with any form of claim or defence.

19.7 Creditor Party rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1.

19.8 Exclusion of Creditor Party liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to a Borrower or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or
- (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been directly and mainly caused by gross negligence, the dishonesty or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19, a "**Relevant Person**" means a Borrower or any Security Party.

19.10 Interpretation

In Clause 19.1(f) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in Clause 19.1(g) "**petition**" includes an application.

20 FEES AND EXPENSES

20.1 Fees

The Borrowers shall pay to the Agent:

- (a) on the Drawdown Date a non-refundable structuring fee in the amount equal to 1 per cent. of the Loan actually drawn; and
- (b) a non-refundable commitment fee, at the rate of 1.00 per cent. per annum on the undrawn or uncanceled amount of the Total Commitments, payable quarterly in arrears for distribution among the Lenders pro rata to their Commitments, during the period from (and including) the date of the Borrowers' acceptance of the firm offer letter, being [•] 2021.

20.2 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent on its demand the amount of all legal and other expenses incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document.

20.3 Costs of variations, amendments, enforcement etc.

The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Creditor Party concerned, the amount of all legal and other expenses incurred by a Creditor Party in connection with:

- (a) any amendment or supplement (or any proposal for such an amendment or supplement) requested (or, in the case of a proposal, made) by or on behalf of the Borrowers and relating to a Finance Document or any other Pertinent Document contemplated in Clause 27.5 (*Replacement of Screen Rate*);
- (b) any consent, waiver or suspension of rights by the Lenders, the Majority Lenders or the Creditor Party concerned or any proposal for any of the foregoing requested (or, in the case of a proposal, made) by or on behalf of the Borrowers under or in connection with a Finance Document or any other Pertinent Document;
- (c) the valuation of any security provided or offered under and pursuant to Clause 15 or any other matter relating to such security;
- (d) any step taken by the Creditor Party concerned with a view to the preservation, protection, exercise or enforcement of any rights or Security Interest created by a Finance Document or for any similar purpose including, without limitation, any proceedings to recover or retain proceeds of enforcement or any other proceedings following enforcement proceedings until the date all outstanding indebtedness to the Creditor Parties under the Finance Documents and any other Pertinent Document is repaid in full; or
- (e) any amendment or supplement (or any proposal for such an amendment or supplement) in connection with a Finance Document or any other Pertinent Document required as contemplated in Clause 27.5.

There shall be recoverable under paragraph (d) the full amount of all legal expenses, whether or not such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.4 Documentary taxes

The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any claims, expenses, liabilities and losses resulting from any failure or delay by the Borrowers to pay such a tax.

20.5 Certification of amounts

A notice which is signed by two officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be *prima facie* evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 Indemnities regarding borrowing and repayment of Loan

The Borrowers shall fully indemnify the Agent and each Lender on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

- (a) the Advance not being borrowed on the date specified in the relevant Drawdown Notice for any reason other than a default by the Lender claiming the indemnity after the relevant Drawdown Notice has been served in accordance with the provisions of this Agreement;
- (b) the receipt or recovery of all or any part of the Loan or an overdue sum otherwise than on the last day of an Interest Period or other relevant period;
- (c) any failure (for whatever reason) by the Borrowers (or any of them) to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by the Borrowers on the amount concerned under Clause 7) including but not limited to any costs and expenses of enforcing any Security Interests created by the Finance Documents and any claims, liabilities and losses which may be brought against, or incurred by, a Creditor Party when enforcing any Security Interests created by the Finance Documents; and
- (d) the occurrence and/or continuance of an Event of Default or a Potential Event of Default and/or the acceleration of repayment of the Loan under Clause 19,

and in respect of any tax (other than tax on its overall net income and a FATCA Deduction) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Break Costs

If a Lender (the "Notifying Lender") notifies the Agent that as a consequence of receipt or recovery of all or any part of the Loan (a "Payment") on a day other than the last day of an Interest Period applicable to the sum received or recovered the Notifying Lender has or will, with effect from a specified date, incur Break Costs:

- (a) the Agent shall promptly notify the Borrowers of a notice it receives from a Notifying Lender under this Clause 21.2;
- (b) the Borrowers shall, within five Business Days of the Agent's demand, pay to the Agent for the account of the Notifying Lender the amount of such Break Costs; and
- (c) the Notifying Lender shall, as soon as reasonably practicable, following a request by the Borrowers, provide a certificate confirming the amount of the Notifying Lender's Break Costs for the Interest Period in which they accrue, such certificate to be, in the absence of manifest error, conclusive and binding on the Borrowers.

In this Clause 21.2, “**Break Costs**” means, in relation to a Payment the amount (if any) by which:

- (i) the interest which the Notifying Lender, should have received in accordance with Clause 5 in respect of the sum received or recovered from the date of receipt or recovery of such Payment to the last day of the then current Interest Period applicable to the sum received or recovered had such Payment been made on the last day of such Interest Period;

exceeds

- (ii) the amount which the Notifying Lender, would be able to obtain by placing an amount equal to such Payment on deposit with a leading bank in the Relevant Interbank Market for a period commencing on the Business Day following receipt or recovery of such Payment (as the case may be) and ending on the last day of the then current Interest Period applicable to the sum received or recovered.

21.3 Other breakage costs

Without limiting its generality, Clause 21.1 covers any claim, expense, liability or loss, including (without limitation) (i) a loss of a prospective profit, incurred by a Lender in borrowing, liquidating or re-employing deposits from third parties acquired, contracted for or arranged to fund, effect or maintain all or any part of its Contribution and/or any overdue amount (or an aggregate amount which includes its Contribution or any overdue amount) other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned and (ii) any applicable legal fees.

21.4 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands, without prejudice to any of their other rights under any of the Finance Documents, in respect of all claims, expenses, liabilities and losses which may be made or brought against or sustained or incurred by a Creditor Party, in any country, as a result of or in connection with:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document;
- (b) investigating any event which the Creditor Party concerned reasonably believes constitutes an Event of Default or Potential Event of Default; or
- (c) acting or relying on any notice, request or instruction which the Creditor Party concerned reasonably believes to be genuine, correct and appropriately authorised,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty, gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.5 Environmental Indemnity

Without prejudice to the generality of Clause 21.4, this Clause 21.5 covers any claims, demands, proceedings, liabilities, taxes, losses, liabilities or expenses of every kind which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code or the ISPS Code, any Environmental Law.

21.6 Currency indemnity

If any sum due from a Borrower or any Security Party to a Creditor Party under a Finance Document or under any order, award or judgment relating to a Finance Document (a “**Sum**”) has to be converted from the currency in which the Finance Document provided for the Sum to be paid (the “**Contractual Currency**”) into another currency (the “**Payment Currency**”) for the purpose of:

- (a) making, filing or lodging any claim or proof against a Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or
- (b) obtaining an order, judgment or award from any court or other tribunal in relation to any litigation or arbitration proceedings; or
- (c) enforcing any such order, judgment or award,

the Borrowers shall as an independent obligation, within three Business Days of demand, indemnify the Creditor Party to whom that Sum is due against any cost, loss or liability arising when the payment actually received by that Creditor Party is converted at the available rate of exchange back into the Contractual Currency including any discrepancy between (A) the rate of exchange actually used to convert the Sum from the Payment Currency into the Contractual Currency and (B) the available rate of exchange.

In this Clause 21.6, the “**available rate of exchange**” means the rate at which the Creditor Party concerned is able at the opening of business (London time) on the Business Day after it receives the Sum to purchase the Contractual Currency with the Payment Currency.

Each Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

If any Creditor Party receives any Sum in a currency other than the Contractual Currency, the Borrowers shall indemnify in full the Creditor Party concerned against any cost, loss or liability arising directly or indirectly from any conversion of such Sum to the Contractual Currency.

This Clause 21.6 creates a separate liability of that Borrower which is distinct from its other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.7 Certification of amounts

A notice which is signed by two officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be *prima facie* evidence that the amount, or aggregate amount, is due.

21.8 Sums deemed due to a Lender

For the purposes of this Clause 21, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

22 NO SET-OFF OR TAX DEDUCTION

22.1 No deductions

All amounts due from the Borrowers under a Finance Document shall be paid:

- (a) without any form of set-off, counter-claim, cross-claim or condition; and
- (b) free and clear of any tax deduction except a tax deduction which a Borrower is required by law to make.

22.2 Grossing-up for taxes

If, at any time, a Borrower is required by law, regulation or regulatory requirement to make a tax deduction from any payment due under a Finance Document:

- (a) that Borrower shall notify the Agent as soon as it becomes aware of the requirement;
- (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that, after the making of such tax deduction, each Creditor Party receives on the due date for such payment (and retains free from any liability relating to the tax deduction) a net amount which is equal to the full amount which it would have received had no such tax deduction been required to be made; and
- (c) that Borrower shall pay the full amount of the tax required to be deducted to the appropriate taxation authority promptly in accordance with the relevant law, regulation or regulatory requirement, and in any event before any fine or penalty arises.

22.3 Indemnity and evidence of payment of taxes

The Borrowers shall fully indemnify each Creditor Party on the Agent's demand in respect of all claims, expenses, liabilities and losses incurred by any Creditor Party by reason of any failure of the Borrowers (or any of them) to make any tax deduction or by reason of any increased payment not being made on the due date for such payment in accordance with Clause 22.2. Within 30 days after making any tax deduction, the Borrowers or, as the case may be, the relevant Borrower shall deliver to the Agent any receipts, certificates or other documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 Exclusion of tax on overall net income

In this Clause 22 "**tax deduction**" means any deduction or withholding from any payment due under a Finance Document for or on account of any present or future tax except:

- (a) tax on a Creditor Party's overall net income; and
- (b) a FATCA Deduction.

22.5 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:

- (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
- (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
 - (c) Paragraph (a) above shall not oblige any Creditor Party to do anything and sub-paragraph (iii) of paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
 - (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraphs (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
 - (e) If a Lender knows or has reason to know that a Borrower is a US Tax Obligor, or where the Agent reasonably believes that its obligations under FATCA require it, each Lender shall, within ten Business Days of:
 - (i) where the Lender knows or has reason to know that a Borrower is a US Tax Obligor and the relevant Lender is a Party as at the date of this Agreement, the date of this Agreement;
 - (ii) where the Lender knows or has reason to know that a Borrower is a US Tax Obligor and the relevant Lender became a Party after the date of this Agreement, the date on which the relevant Transfer Certificate became effective; or
 - (iii) the date of a request from the Agent,supply to the Agent:
 - (iv) a withholding certificate on US Internal Revenue Service Form W-8 or Form W-9 (or any successor form) (as applicable); or

- (v) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Lender under FATCA.

The Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Lender pursuant to this paragraph (e) to the Borrowers, to the extent required for compliance with FATCA or any other law or regulation, and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Agent shall not be liable for any action taken by it under or in connection with this paragraph (e).

- (f) Each Lender agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Agent pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Agent in writing of its legal inability to do so. The Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Borrowers, to the extent required for compliance with FATCA or any other law or regulation. The Agent shall not be liable for any action taken by it under or in connection with this paragraph (f).

22.6 FATCA Deduction

- (a) Each Party may make any FATCA Deduction as it reasonably determines it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify each Borrower and the Agent and the Agent shall notify the other Creditor Parties.

23 ILLEGALITY, ETC.

23.1 Illegality

This Clause 23 applies if a Lender (the “**Notifying Lender**”) notifies the Agent that it has become, or will with effect from a specified date, become:

- (a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
 - (b) contrary to, or inconsistent with, any regulation,
- for the Notifying Lender to perform, maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement or to fund or maintain the Loan.

23.2 Notification of illegality

The Agent shall promptly notify the Borrowers, the Security Parties, the Security Trustee and the other Lenders of the notice under Clause 23.1 which the Agent receives from the Notifying Lender.

23.3 Prepayment; termination of Commitment

On the Agent notifying the Borrowers under Clause 23.2, the Notifying Lender's Commitment shall be immediately cancelled; and thereupon or, if later, on the date specified in the Notifying Lender's notice under Clause 23.1 as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender's Contribution on the last day of the then current Interest Period in accordance with Clauses 8.10 and 8.11.

24 INCREASED COSTS

24.1 Increased costs

This Clause 24 applies if a Lender (the "**Notifying Lender**") notifies the Agent that the Notifying Lender considers that as a result of:

- (a) the introduction or alteration after the date of this Agreement of a law or an alteration after the date of this Agreement in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Agreement of a tax on the Lender's overall net income); or
- (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Notifying Lender allocates capital resources to its obligations under this Agreement) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Agreement; or
- (c) the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (the "**Basel II Accord**") or any other law or regulation implementing the Basel II Accord or any of the approaches provided for and allowed to be used by banks under or in connection with the Basel II Accord, in each case when compared to the cost of complying with such regulations as determined by the Agent (or parent company of it) on the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, supervisory authority, the Notifying Lender or its holding company); or
- (d) the implementation or application of or compliance with Basel III or any law or regulation which implements or applies Basel III (regardless of the date on which it is enacted, adopted or issued and regardless of whether any such implementation, application or compliance is by a government, regulator, the Notifying Lender or any of its affiliates),
the Notifying Lender (or a parent company of it) has incurred or will incur an "**increased cost**".

24.2 Meaning of "increased cost"

In this Clause 24, "**increased cost**" means, in relation to a Notifying Lender:

- (a) an additional or increased cost incurred as a result of, or in connection with, the Notifying Lender having entered into, or being a party to, this Agreement or a Transfer Certificate, of funding or maintaining its Commitment or Contribution or performing its obligations under this Agreement, or of having outstanding all or any part of its Contribution or other unpaid sums;

- (b) a reduction in the amount of any payment to the Notifying Lender under this Agreement or in the effective return which such a payment represents to the Notifying Lender or on its capital;
- (c) an additional or increased cost of funding all or maintaining all or any of the advances comprised in a class of advances formed by or including the Notifying Lender's Contribution or (as the case may require) the proportion of that cost attributable to the Contribution; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Notifying Lender under this Agreement,

but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (or a parent company of it) or an item covered by the indemnity for tax in Clause 21.1 or by Clause 22 or a FATCA Deduction required to be made by a Party.

For the purposes of this Clause 24.2 the Notifying Lender may in good faith allocate or spread costs and/or losses among its assets and liabilities (or any class of its assets and liabilities) on such basis as it considers appropriate.

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.1.

24.4 Payment of increased costs

The Borrowers shall pay to the Agent within 5 Business Days after the Agent's demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment

If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4, the Borrowers may give the Agent not less than 14 days' notice of their intention to prepay the Notifying Lender's Contribution at the end of an Interest Period.

24.6 Prepayment; termination of Commitment

A notice under Clause 24.5 shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Commitment of the Notifying Lender shall be cancelled; and
- (b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin and the Mandatory Cost (if any).

24.7 Application of prepayment

Clause 8 shall apply in relation to the prepayment.

25 SET-OFF

25.1 Application of credit balances

Each Creditor Party may without prior notice to the Borrowers but with prior notice to the Agent:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of a Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from that Borrower to that Creditor Party under any of the Finance Documents; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of that Borrower;
 - (ii) convert or translate all or any part of a deposit or other credit balance into Dollars; and
 - (iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 Existing rights unaffected

No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1; and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 Sums deemed due to a Lender

For the purposes of this Clause 25, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to such Lender.

25.4 No Security Interest

This Clause 25 gives the Creditor Parties a contractual right of set-off only, and does not create any equitable charge or other Security Interest over any credit balance of any Borrower.

26 TRANSFERS AND CHANGES IN LENDING OFFICES

26.1 Transfer by Borrowers

No Borrower may assign or transfer any of its rights, liabilities or obligations under any Finance Document.

26.2 Transfer by a Lender

Subject to Clause 26.4, a Lender (the "**Transferor Lender**") may at any time, without the consent of the Borrowers or any Security Party but after consultation with the Borrowers, cause:

- (a) its rights in respect of all or part of its Contribution; or

- (b) its obligations in respect of all or part of its Commitment; or
- (c) a combination of (a) and (b); or
- (d) all or part of its credit risk under this Agreement and the other Finance Documents,

to be syndicated to or, (in the case of its rights) assigned, pledged or transferred to, or (in the case of its obligations) pledged or assumed by, any other bank or financial institution or to a trust, fund or other entity, provided such other entity is regularly engaged in, or established for the purpose of, making, purchasing or investing in loans, securities or other financial assets (a “**Transferee Lender**”) by delivering to the Agent a completed certificate in the form set out in Schedule 5 with any modifications approved or required by the Agent (a “**Transfer Certificate**”) executed by the Transferor Lender and the Transferee Lender.

However, any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Deed.

All costs and expenses relating to a transfer effected pursuant to this Clause 26.2 shall be borne by the Transferee Lender.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, the Borrowers, the Security Parties, the Security Trustee and each of the other Lenders;
- (b) on behalf of the Transferee Lender, send to each Borrower and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it; and
- (c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above.

26.4 Effective Date of Transfer Certificate

A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date **Provided that** it is signed by the Agent under Clause 26.3 on or before that date.

26.5 No transfer without Transfer Certificate

Except as provided in Clause 26.18, no assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, any Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 Lender re-organisation

However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the “**successor**”), the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender only upon receipt by the Agent of a notice to this effect and evidence that all rights and obligations have automatically and by operation of law vested in the successor by virtue of the merger, de-merger or other reorganisation, without the need for the execution and delivery of a Transfer Certificate; the Agent shall in that event inform the Borrowers and the Security Trustee accordingly.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender's title and of any rights or equities which any Borrower or any Security Party had against the Transferor Lender;
- (b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;
- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;
- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 5.7 and Clause 20, and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and
- (g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of any Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders

During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Lender, the Security Trustee and the Borrowers during normal banking hours, subject to receiving at least three Business Days' prior notice.

26.9 Reliance on register of Lenders

The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates

Each Borrower, the Security Trustee and each Lender irrevocably authorises the Agent to sign Transfer Certificates on its behalf. The Borrower and each Security Party irrevocably agree to the transfer procedures set out in this Clause 26 and to the extent the cooperation of the Borrowers and/or any Security Party shall be required to effect any such transfer, the Borrowers and such Security Party shall take all necessary steps to afford such cooperation **Provided that** this shall not result in any additional costs to the Borrowers or such Security Party.

26.11 Sub-participation; subrogation assignment

A Lender may sub-participate or include in a securitisation or similar transaction all or any part of its rights and/or obligations under or in connection with the Finance Documents without the Borrowers' prior consent and without serving a notice thereon; the Lenders may assign without the Borrowers' prior consent but after consultation with the Borrowers, in any manner and terms agreed by the Majority Lenders, the Agent and the Security Trustee, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.12 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$2,500 from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.13 Sub-division, split, modification or re-tranching

Any Lender may, in its sole discretion, sub-divide, split, sever, modify or re-tranche its Contribution into one or more parts subject to the overall cost of its Contribution to the Borrowers remaining unchanged, if such changes are necessary in order to achieve a successful execution of a securitisation, syndication or any other capital market exit in respect of its Contribution (or any applicable part thereof).

26.14 Disclosure of information

A Lender may, without the prior consent of the Borrowers, the Corporate Guarantor or any other Security Party, disclose to a potential Transferee Lender or sub participant as well as, where relevant, to rating agencies, trustees and accountants, any financial or other information which that Lender has received in relation to the Loan, the Borrowers (or any of them), the Corporate Guarantor and any other Security Party or their affairs and collateral or security provided under or in connection with any Finance Document, their financial circumstances and any other information whatsoever, as that Lender may deem reasonably necessary or appropriate in connection with the potential syndication, the assessment of the credit risk and the ongoing monitoring of the Loan by any potential Transferee Lender and that Lender shall be released from its obligation of secrecy and from banking confidentiality.

This permission is given for the purposes of giving relief from banking secrecy and confidentiality requirements. It is not intended as and is no declaration of consent in accordance with the DS_GVO (DS-GVO refers to Datenschutz-Grundverordnung, the German term for General Data Protection Regulation) (EU Regulation 2016/679, General Data Protection Regulation).

In the event any such potential Transferee Lender, sub-participant, rating agency, trustee or accountant is not already bound by any legal obligation of secrecy or banking confidentiality, the Lender concerned may only give, disclose or reveal such information as the Corporate Guarantor is entitled to disclose by rules and regulations of the SEC and any US Stock Exchange applicable to the Corporate Guarantor and shall require such other party to sign a confidentiality agreement. The Borrowers shall, and shall procure that the Corporate Guarantor and any other Security Party shall:

- (a) provide the Creditor Parties (or any of them) with all information deemed, reasonably, necessary by the Creditor Parties (or any of them) for the purposes of any transfer, syndication or sub-participation to be effected pursuant to this Clause 26;
- (b) procure that the directors and officers of each Borrower, the Corporate Guarantor or any other Security Party, are available to participate in any meeting with any Transferee Lender or any rating agency at such times and places as the Creditor Parties may reasonably request following prior notice (to be served on the Borrowers reasonably in advance) to that Borrower, the Corporate Guarantor or that Security Party; and
- (c) permit any Transferee Lender to board the Ship at all reasonable times and locations to inspect its condition in accordance with Clause 14.9.

26.15 Confidentiality

Any publicity regarding the Loan or any of the terms thereof shall be agreed in advance by the Corporate Guarantor and the Agent (acting on the instructions of the Majority Lenders) unless otherwise required in connection with the Corporate Guarantor's reporting obligations under or in connection with the rules and regulations of the SEC and any US Stock Exchange applicable to the Corporate Guarantor.

26.16 Change of lending office

A Lender may change its lending office by giving notice to the Agent and the change shall become effective on the later of:

- (a) the date on which the Agent receives the notice; and
- (b) the date, if any, specified in the notice as the date on which the change will come into effect.

26.17 Notification

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending office of which the Agent last had notice.

26.18 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26, each Lender may without consulting with or obtaining consent from, any Borrower or any Security Party, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities;

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by any Borrower or any Security Party or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.19 Replacement of a Reference Bank

If any Reference Bank ceases to be a Lender or is unable on a continuing basis to supply quotations for the purposes of Clause 5 then, unless the Borrowers, the Agent and the Majority Lenders otherwise agree, the Agent, acting on the instructions of the Majority Lenders, and after consulting with the Borrowers, shall appoint another bank (whether or not a Lender) to be a replacement Reference Bank; and, when that appointment comes into effect, the first-mentioned Reference Bank's appointment shall cease to be effective.

26.20 Securitisation

Each Borrower shall, and the Borrowers shall procure that each Security Party will, assist the Agent and/or any Lender in achieving a successful securitisation (or similar transaction) in respect of the Loan and the Finance Documents and such Security Party's reasonable costs for providing such assistance shall be met by the relevant Lender.

26.21 No additional costs

If a Transferor Lender assigns or transfers any of its rights or obligations under the Finance Documents and as a result of circumstances existing at the date the assignment or transfer occurs, a Borrower or a Security Party would be obliged to make a payment to the Transferee Lender under Clause 22.2 or under that clause as incorporated by reference or in full in any other Finance Document, then the Transferee Lender is only entitled to receive payment under that clause to the same extent as the Transferor Lender would have been if the assignment or transfer had not occurred.

26.22 Preservation of security

The benefit of the Security Interests created under the Finance Documents shall automatically transfer to any assignee or transferee (by way of novation or otherwise) of part or all of the obligations expressed to be secured by the Security Interests created under the Finance Documents. For the purpose of Article 1278 and Article 1281 of the Belgian Civil Code (and, to the extent applicable, any similar provisions of foreign law), the Security Trustee, the other Credit Parties and each of the obligors hereby expressly reserve the preservation of the Security Interests created under the Finance Documents in case of assignment, novation, amendment or any other transfer or change of the obligations expressed to be secured by the Security Interests created under the Finance Documents (including, without limitation, an extension of the term or an increase of the amount of such obligations or the granting of additional credit) or of any change of any of the parties to this Agreement or any other Finance Document.

27 VARIATIONS AND WAIVERS

27.1 Required consents

- (a) Subject to Clause 27.2 any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrowers and any such amendment or waiver will be binding on all Creditor Parties and the Borrowers.
- (b) Any instructions given by the Majority Lenders will be binding on all the Creditor Parties.
- (c) The Agent may effect, on behalf of any Creditor Party, any amendment or waiver permitted by this Clause.

27.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “Majority Lenders” or “Finance Documents” in Clause 1.1;
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest fees, commission or other amount payable under any of the Finance Documents;
 - (iv) an increase in or an extension of any Lender’s Commitment;
 - (v) any provision which expressly requires the consent of all the Lenders;
 - (vi) Clause 3 (*Position of the Lenders*), Clause 11.5 (*Information provided to be accurate*), Clause 11.6 (*Provision of financial statements*), Clause 11.7 (*Form of financial statements*), Clause 11.16 (*Provision of further information*), Clause 26 (*Transfers and Changes in Lending Offices*) or this Clause 27.2;
 - (vii) any release of any Security Interest, guarantee, indemnities or subordination arrangement created by any Finance Document;

- (viii) any change of the currency in which the Loan is provided or any amount is payable under any of the Finance Documents;
- (ix) an extension of the Availability Period; or
- (x) a change in Clauses 16.4 (*Distribution of payment to Creditor Parties*) or 22 (*Grossing-up*),

may not be effected without the prior written consent of all Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or the Security Trustee may not be effected without the consent of the Agent, the Arranger or the Security Trustee, as the case may be.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 and 27.2, no document, and, subject to Clause 27.4, no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

- (a) a provision of this Agreement or another Finance Document; or
- (b) an Event of Default; or
- (c) a breach by a Borrower, the Approved Manager or a Security Party of an obligation under a Finance Document or the general law; or
- (d) any right or remedy conferred by any Finance Document or by the general law,

and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 Deemed consent

With respect to any amendment, variation, waiver, suspension or limit requested by any Party and which requires the approval of all the Lenders or the Majority Lenders (as the case may be), other than an amendment or supplement (or any proposal for such an amendment or supplement) in connection with a Finance Document or any other Pertinent Document required as contemplated in Clause 27.5, the Agent shall provide each Lender with written notice of such request accompanied by such detailed background information as may be reasonably necessary (in the opinion of the Agent) to determine whether to approve such action. A Lender shall be deemed to have approved such action if such Lender fails to object to such action by written notice to the Agent within 10 days of that Lender's receipt of the Agent's notice or such other time as the Agent may state in the relevant notice as being the time available for approval of such action.

27.5 Replacement of Screen Rate

- (a) Subject to paragraph (b) of Clause 27.2, if a Screen Rate Replacement Event has occurred in relation to the Screen Rate for dollars, any amendment or waiver which relates to:
- (i) providing for the use of a Replacement Benchmark in relation to (or in addition to) that currency in place of that Screen Rate; and
 - (ii)
 - (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
 - (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Benchmark;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
 - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),
- may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrowers.
- (b) If, as at 1 January 2023 this Agreement provides that the rate of interest for the Loan in dollars is to be determined by reference to the Screen Rate for LIBOR:
- (i) a Screen Rate Replacement Event shall be deemed to have occurred on that date in relation to the Screen Rate for dollars; and
 - (ii) the Agent, (acting on the instructions of the Majority Lenders) and the Borrowers shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in relation to dollars in place of that Screen Rate from and including a date no later than 31 May 2023.
- (c) If any Lender fails to respond to a request for an amendment or waiver described in, or for any other vote of Lenders in relation to, paragraphs **Error! Reference source not found.** or (b) above within 5 Business Days (or such longer time period in relation to any request which the Borrowers and the Agent may agree) of that request being made:
- (i) its Commitment shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and

- (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

28 NOTICES

28.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 Addresses for communications

A notice by letter, fax or e-mail shall be sent:

- (a) to the Borrowers: c/o Tankers Management (Cayman) SEZC
Strathvale House, 90 N Church Street,
P.O. Box 309, Grand Cayman,
KY1-1104 Cayman Islands
Email: legal_corp@navios.com,
vpapaefthymiou@navios.com
- for the attention of: Vassiliki Papaefthymiou
- (b) to a Lender: At the address below its name in Schedule 1 or (as the case may require) in the relevant Transfer Certificate.
- (c) to the Agent and Security Trustee:
- for general matters: Hamburg Commercial Bank AG
BU Asset Based Finance / Shipping
Gerhart-Hauptmann-Platz 50
20095 Hamburg
Germany
Fax No: +302104295323
Attn: Mr Loukas Lagaras / Mr Solon Merikas
- for credit administrative matters: Hamburg Commercial Bank AG
BU Business Operations
Loan & Collateral Operations
Gerhart-Hauptmann-Platz 50
20095 Hamburg
Germany
Fax No: +49 40 3333 34167

or to such other address as the relevant Party may notify the Agent or, if the relevant Party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 Effective date of notices

Subject to Clauses 28.4 and 28.5:

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by fax shall be deemed to be served, and shall take effect, two hours after its transmission is completed.

28.4 Service outside business hours

However, if under Clause 28.3 a notice would be deemed to be served:

- (a) on a day which is not a business day in the place of receipt; or
 - (b) on such a business day, but after 5 p.m. local time,
- the notice shall (subject to Clause 28.5) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 Illegible notices

Clauses 28.3 and 28.4 do not apply if the recipient of a notice notifies the sender within one hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or
- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 Electronic communication

Any communication from the Agent or the other Creditor Parties made by electronic means will be sent unsecured and without electronic signature, however, the Borrowers may request the Agent and the other Creditor Parties at any time in writing to change the method of electronic communication from unsecured to secured electronic mail communication.

The Borrowers hereby acknowledge and accept the risks associated with the use of unsecured electronic mail communication including, without limitation, risk of delay, loss of data, confidentiality breach, forgery, falsification and malicious software. The Agent and the other Creditor Parties shall not be liable in any way for any loss or damage or any other disadvantage suffered by the Borrowers resulting from such unsecured electronic mail communication.

If the Borrowers (or any of them) or any other Security Party wish to cease all electronic communication, they shall give written notice to the Agent and the other Creditor Parties accordingly after receipt of which notice the Parties shall cease all electronic communication.

For as long as electronic communication is an accepted form of communication, the Parties shall:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (b) notify each other of any change to their respective addresses or any other such information supplied to them; and
- in case electronic communication is sent to recipients with the domain <domain with ending>, the parties shall without undue delay inform each other if there are changes to the said domain or if electronic communication shall thereafter be sent to individual e-mail addresses.

28.8 English language

Any notice under or in connection with a Finance Document shall be in English.

28.9 Meaning of “notice”

In this Clause 28, “**notice**” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 JOINT AND SEVERAL LIABILITY

29.1 General

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be several and, if and to the extent consistent with Clause 29.2, joint.

29.2 No impairment of Borrower’s obligations

The liabilities and obligations of a Borrower shall not be impaired by:

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards the other Borrowers;
- (b) any Lender or the Security Trustee entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrowers;
- (c) any Lender or the Security Trustee releasing the other Borrowers or any Security Interest created by a Finance Document; or
- (d) any combination of the foregoing.

29.3 Principal debtors

Each Borrower declares that it is and will, throughout the Security Period, remain a principal debtor for all amounts owing under this Agreement and the Finance Documents and no Borrower shall in any circumstances be construed to be a surety for the obligations of the other Borrowers under this Agreement.

29.4 Subordination

Subject to Clause 29.5, during the Security Period, no Borrower shall:

- (a) claim any amount which may be due to it from the other Borrowers whether in respect of a payment made, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
- (b) take or enforce any form of security from the other Borrowers for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of the other Borrowers; or
- (c) set off such an amount against any sum due from it to the other Borrowers; or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the other Borrowers or other Security Party; or
- (e) exercise or assert any combination of the foregoing.

29.5 Borrowers' required action

If during the Security Period, the Agent, by notice to a Borrower, requires it to take any action referred to in paragraphs (a) to (d) of Clause 29.4, in relation to the other Borrowers, that Borrower shall take that action as soon as practicable after receiving the Agent's notice.

30 SUPPLEMENTAL

30.1 Rights cumulative, non-exclusive

The rights and remedies which the Finance Documents give to each Creditor Party are:

- (a) cumulative;
- (b) may be exercised as often as appears expedient; and
- (c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

30.2 Severability of provisions

If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

30.3 Counterparts

A Finance Document may be executed in any number of counterparts.

30.4 Third party rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

30.5 Benefit and binding effect

The terms of this Agreement shall be binding upon, and shall enure to the benefit of, the Parties and their respective (including subsequent) successors and permitted assigns and transferees.

30.6 Electronic disclosure

- (a) The Borrowers hereby recognise as binding any relevant documents (whether signed or not) to fulfil the disclosure of the financial circumstances in accordance with Sec. 18 of the German Banking Act (KWG) that were or are, after the date of this Agreement, submitted to Hamburg Commercial Bank AG electronically or on data carriers through the Borrower, any Security Party or any third party and declares such documents as complete and correct.
- (b) Any documents submitted to Hamburg Commercial Bank AG electronically or on data carriers in accordance with Sec. 18 of the German Banking Act (KWG) have the same legal significance as any signed documents in paper form.

31 LAW AND JURISDICTION

31.1 English law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

31.2 Exclusive English jurisdiction

Subject to Clause 31.3, the courts of England shall have exclusive jurisdiction to settle any Dispute.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 31.2 is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

- (a) to commence proceedings in relation to any Dispute in the courts of any country other than England and which have or claim jurisdiction to that Dispute; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

No Borrower shall commence any proceedings in any country other than England in relation to a Dispute.

31.4 Process agent

Each Borrower irrevocably appoints Hill Dickinson LLP at their office for the time being, presently at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

31.5 Creditor Party rights unaffected

Nothing in this Clause 31 shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 Meaning of “proceedings” and “Dispute”

In this Clause 31, “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure and a “**Dispute**” means any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
KLEIMAR NV)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
WHITE NARCISSUS MARINE S.A.)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
FAITH MARINE LTD.)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
RED ROSE SHIPPING CORP.)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
RED ROSE SHIPPING CORP.)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
JASMINE SHIPPING CORPORATION)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

SIGNED by)
Sofia Tavla) /s/ Sofia Tavla
for and on behalf of)
MOONSONE SHIPPING CORPORATION)
in the presence of:) /s/ Alexia Pavlidou
Alexia Pavlidou

LENDERS

SIGNED by)
Dinutriau Arcadaina) /s/ Dinutriau Arcadaina
for and on behalf of)
HAMBURG COMMERCIAL BANK AG)
in the presence of:) /s/ Kelina Kantzou
Kelina Kantzou

AGENT

SIGNED by)
Dinutriau Arcadaina) /s/ Dinutriau Arcadaina
for and on behalf of)
HAMBURG COMMERCIAL BANK AG)
in the presence of:) /s/ Kelina Kantzou
Kelina Kantzou

MANDATED LEAD ARRANGER

SIGNED by)
Dinutriau Arcadaina) /s/ Dinutriau Arcadaina
for and on behalf of)
HAMBURG COMMERCIAL BANK AG)
in the presence of:) /s/ Kelina Kantzou
Kelina Kantzou

SECURITY TRUSTEE

SIGNED by)
Dinutriau Arcadaina) /s/ Dinutriau Arcadaina
for and on behalf of)
HAMBURG COMMERCIAL BANK AG)
in the presence of:) /s/ Kelina Kantzou
Kelina Kantzou

Dated 13 December 2021

**DUCALE MARINE INC.
KLEIMAR NV
OPAL SHIPPING CORPORATION
IRIS SHIPPING CORPORATION
HIGHBIRD MANAGEMENT INC.
CORSAIR SHIPPING LTD.**
as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
BNP PARIBAS**
as Bookrunners and Arrangers

and

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
BNP PARIBAS**
as Mandated Lead Arrangers

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Agent and Security Trustee

LOAN AGREEMENT

relating to a loan facility of up to \$105,000,000
secured on seven bulk carriers

**WATSON FARLEY
&
WILLIAMS**

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Execution

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PARTIES

- (1) **DUCALE MARINE INC.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as **Borrower A**.
- (2) **KLEIMAR NV**, a public limited liability company incorporated in Belgium and having its registered office at 5 Suikerrui, 2000 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, Antwerp division as **Borrower B**.
- (3) **OPAL SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as **Borrower C**.
- (4) **IRIS SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as **Borrower D**.
- (5) **HIGHBIRD MANAGEMENT INC.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as **Borrower E**.
- (6) **CORSAIR SHIPPING LTD.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as **Borrower F**.
- (7) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**.
- (8) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre and **BNP PARIBAS** whose registered office (*siège social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France as **Bookrunners** and **Arrangers**.
- (9) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre and **BNP PARIBAS** whose registered office (*siège social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France as **Mandated Lead Arrangers**.
- (10) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre as **Agent** and **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers a senior secured term loan facility, in an aggregate amount equal to the lesser of (i) \$105,000,000 and (ii) 65 per cent. of the aggregate Initial Market Value of the Ships, in one advance, for the purpose of partially refinancing the Mortgage Notes Indebtedness of the Corporate Guarantor under the Mortgage Notes.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5 (*General Interpretation*), in this Agreement:

“**Account**” means each of the Earnings Accounts and the Retention Account and, in the plural, means all of them;

“**Account Bank**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any other bank or other financial institution acceptable to the Agent and the Borrowers;

“**Account Pledge**” means, in relation to each Account, a deed of pledge of that Account in such form as the Lenders may approve or require, and in the plural means all of them;

“**Advance**” means the borrowing of all or part of the Loan under this Agreement;

“**Affected Lender**” has the meaning given in Clause 5.7 (*Market disruption*);

“**Agency and Trust Deed**” means the agency and trust deed executed or to be executed between the Borrowers, the Lenders, the Agent and the Security Trustee in such form as the Lenders may approve or require;

“**Agent**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any successor of it appointed under clause 5 (*appointment of a new servicing bank*) of the Agency and Trust Deed;

“**Applicable Person**” has the meaning given in Clause 29.4 (*Waiver of Banking Secrecy*);

“**Approved Broker**” means any of Arrow Sale & Purchase (UK) Limited, Barry Rogliano Salles, Braemar ACM Valuations Limited, Clarkson Valuations Limited, E.A. Gibson Shipbrokers Ltd., Fearnleys AS, Galbraith’s Limited, Simpson Spence & Young Ltd., Howe Robinson Partners Marine Evaluations Ltd, Maersk Broker A/S and Affinity (Shipping) LLP (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Borrowers and the Agent (acting on the instructions of the Majority Lenders) may agree in writing from time to time;

“**Approved Flag**” means, in relation to a Ship, the flag of Marshall Islands, the flag of Liberia, the flag of Panama, the flag of Cyprus, the flag of Malta or such other flag as the Agent (acting on the instructions of the Majority Lenders) may approve as the flag on which that Ship is or, as the case may be, shall be registered;

“Approved Flag State” means, in relation to a Ship, the Republic of the Marshall Islands, the Republic of Liberia, the Republic of Panama, the Republic of Cyprus, Republic of Malta or any other country in which the Agent (acting on the instructions of the Majority Lenders) may approve that that Ship is or, as the case may be, shall be registered;

“Approved Manager” means, in respect of the commercial and technical management of each Ship, Navios Shipmanagement or any other company (for the avoidance of doubt, other than an affiliate or subsidiary of Navios Shipmanagement or an entity affiliated to Mrs Angeliki Frangou), which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the commercial and technical manager of any Ship (such approval not required in respect of an affiliate or subsidiary of Navios Shipmanagement or an entity affiliated to Mrs Angeliki Frangou);

“Approved Manager’s Undertaking” means, in relation to a Ship, a letter of undertaking including, without limitation, an assignment of the Approved Manager’s rights, title and interest in the Insurances of the relevant Ship executed or to be executed by the Approved Manager in favour of the Security Trustee agreeing certain matters in relation to the Approved Manager serving as the manager of that Ship and subordinating the rights of the Approved Manager against that Ship and that Borrower to the rights of the Creditor Parties under the Finance Documents, in such form as the Security Trustee, with the authorisation of the Lenders, may approve or require and, in the plural, means all of them;

“Arrangers” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre and BNP Paribas whose registered office (*siège social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France;

“Article 55 BRRD” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

“Availability Period” means the period commencing on the date of this Agreement and ending on:

- (a) 30 January 2022 (or such later date as the Agent acting on the instructions of the Lenders may, in its sole discretion, agree with the Borrowers); or
- (b) if earlier, the date on which the Total Commitments are fully borrowed, cancelled or terminated;

“Bail-In Action” means the exercise of any Write-down and Conversion Powers;

“Bail-In Legislation” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and

(c) in relation to the United Kingdom, the UK Bail-In Legislation;

“**Balloon Instalment**” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“**Basel III**” means:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement—Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;

“**Bookrunners**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre and BNP Paribas whose registered office (*siège social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France;

“**Borrower**” means each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E and Borrower F and, in the plural, means all of them;

“**Borrower A**” means Ducale Marine Inc., a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower B**” means Kleimar NV, a public limited liability company incorporated in Belgium and having its registered office at 5 Suikerrui, 2000 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, Antwerp division;

“**Borrower C**” means Opal Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower D**” means Iris Shipping Corporation, corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower E**” means Highbird Management Inc., a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower F**” means Corsair Shipping Ltd., a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Business Day**” means a day on which banks are open in London, Athens, Paris and Geneva and in respect of a day on which a payment is required to be made under a Finance Document, also in New York City;

“**Charterparty**” means:

- (a) in relation to a Ship, any charterparty in respect of that Ship (including, without limitation, an Existing Charter) of a duration exceeding or capable of exceeding 12 months, made on terms and with a charterer acceptable in all respects to the Lenders; and
- (b) in relation to a Collateral Ship, a Collateral Charter;

“**Charterparty Assignment**” means:

- (a) in relation to a Ship, the deed of assignment of any Charterparty in favour of the Security Trustee, in such form as the Lenders may approve or require; and
- (b) in relation to a Collateral Ship, the deed of assignment of a Collateral Charter in favour of the Security Trustee, in such form as the Lenders may approve or require;

“**Classification Society**” means a member of the IACS or any other classification society approved in writing by the Agent acting with the authorisation of the Majority Lenders;

“**Code**” means the United States Internal Revenue Code of 1986;

“**Collateral Charter**” means each of Collateral Charter A, Collateral Charter B, Collateral Charter C and Collateral Charter D as defined in term in Schedule 5 (*Vessel Details*) and, in the plural, means all of them;

“**Collateral Charterer**” means each of Collateral Charterer A, Collateral Charterer B, Collateral Charterer C and Collateral Charterer D as defined in term in Schedule 5 (*Vessel Details*) and, in the plural, means all of them;

“**Collateral Provider**” means each of Collateral Provider A, Collateral Provider B, Collateral Provider C and Collateral Provider D as defined in term in Schedule 5 (*Vessel Details*) and, in the plural, means all of them;

“**Collateral Ship**” means each of Collateral Ship A, Collateral Ship B, Collateral Ship C and Collateral Ship D as defined in term in Schedule 5 (*Vessel Details*) and, in the plural, means all of them;

“**Commitment**” means, in relation to a Lender, the amount set opposite its name in Schedule 1 or, as the case may require, the amount specified in the relevant Transfer Certificate, as that amount may be reduced, cancelled or terminated in accordance with this Agreement (and “**Total Commitments**” means the aggregate of the Commitments of all the Lenders);

“Confidentiality Undertaking” means a confidentiality undertaking substantially in a recommended form of the Loan Market Association (LMA) or in any other form agreed between the Borrowers and the Agent;

“Confidential Information” means all information relating to the Borrowers, any Security Party, the Group, the Finance Documents or the Loan of which a Creditor Party becomes aware in its capacity as, or for the purpose of becoming, a Creditor Party or which is received by a Creditor Party in relation to, or for the purpose of becoming a Creditor Party under, the Finance Documents or the Loan from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Creditor Party, if the information was obtained by that Creditor Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information, but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Creditor Party of Clause 30; or
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) is known by that Creditor Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Creditor Party after that date, from a source which is, as far as that Creditor Party is aware, unconnected with the Group and which, in either case, as far as that Creditor Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate or any quotation supplied to the Agent by a Reference Bank;

“Contractual Currency” has the meaning given in Clause 21.5 (*Currency indemnity*);

“Contribution” means, in relation to a Lender, the part of the Loan which is owing to that Lender;

“Corporate Guarantee” means the guarantee given or to be given by the Corporate Guarantor in favour of the Security Trustee, guaranteeing the obligations of the Borrowers under this Agreement and the other Finance Documents, in such form as the Lenders may approve or require;

“Corporate Guarantor” means Navios Maritime Holdings Inc., a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and listed on the New York Stock Exchange;

“**CRD IV**” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2003/87/EC and repealing Directive 2006/48/EC and 2006/29/EC;

“**Creditor Party**” means the Agent, the Security Trustee or any Lender, whether as at the date of this Agreement or at any later time;

“**CRR**” means Regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012;

“**Designated Shareholder**” means Mrs Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary) and her respective affiliates being, either individually or together, the ultimate beneficial owner(s) of, or having ultimate control of the voting rights attaching to, at least 10 per cent. of all the issued and outstanding voting shares in the Corporate Guarantor and in the plural means all of them;

“**Dollars**” and “**\$**” means the lawful currency for the time being of the United States of America;

“**Drawdown Date**” means, in relation to the Advance, the date requested by the Borrowers for the Advance to be made, or (as the context requires) the date on which the Advance is actually made;

“**Drawdown Notice**” means a notice in the form set out in Schedule 2 (or in any other form which the Agent approves or reasonably requires);

“**Earnings**” means, in relation to a Ship and the Collateral Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Borrower owning that Ship, the Collateral Provider or the Security Trustee and which arise out of the use or operation of that Ship, including (but not limited to):

- (a) all freight, hire and passage moneys, compensation payable to that Borrower, the Collateral Provider or the Security Trustee in the event of requisition of the Ship or the Collateral Ship owned by it for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship or the Collateral Ship;
- (b) all moneys which are at any time payable under Insurances, if any, in respect of loss of earnings; and
- (c) if and whenever that Ship or the Collateral Ship is employed on terms whereby any moneys falling within paragraphs (a) or (b) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship or the Collateral Ship;

“**Earnings Account**” means:

- (a) in relation to a Ship, an account in the name of the Borrower owning that Ship with the Account Bank as per Schedule 6 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces this Earnings Account and is designated by the Agent as the Earnings Account in respect of that Ship for the purposes of this Agreement, and, in the plural, means all of them; and

- (b) in relation to a Collateral Ship, an account in the name of that Collateral Provider with the Account Bank as per Schedule 6 (*Account Details*), or any other account (with that or another office of the Account Bank Bank) which replaces this Earnings Account and is designated by the Agent as the Earnings Account in respect of that Collateral Ship for the purposes of this Agreement, and, in the plural, means all of them;

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“**Environmental Claim**” means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident or to an alleged Environmental Incident,

and “**claim**” means a claim for damages, compensation, fines, penalties or any other payment of any kind whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset;

“**Environmental Incident**” means in relation to a Ship:

- (a) any release of Environmentally Sensitive Material from that Ship; or
- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than that Ship and which involves a collision between that Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which that Ship is actually or potentially liable to be arrested, attached, detained and/or injuncted and/or that Ship and/or the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident in which Environmentally Sensitive Material is released otherwise than from that Ship and in connection with which that Ship is actually or potentially liable to be arrested and/or where the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action;

“**Environmental Law**” means any law relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material;

“**Environmentally Sensitive Material**” means oil, oil products and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous;

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“Event of Default” means any of the events or circumstances described in Clause 19.1 (Events of Default);

“Existing Charter” shall have the meaning given to that term in Schedule 5 (*Vessel Details*);

“Existing Charterer” shall have the meaning given to that term in Schedule 5 (*Vessel Details*);

“Existing Security Interest” means any Existing Security Interests created under the Mortgage Notes;

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“FATCA Deduction” means a deduction or withholding from a payment under any Finance Document required by or under FATCA;

“FATCA Exempt Party” means a party to a Finance Document that is entitled to receive payments free from any FATCA Deduction;

“FATCA FFI” means a foreign financial institution as defined in section 1471 (d)(4) of the Code which, if any Creditor Party is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

“Fee Letter” means any letter or letters dated on or about the date of this Agreement between any of the Lenders, the Agent and the Security Trustee and any Security Party setting out any of the fees referred to in Clause 20 (*Fees and Expenses*);

“Final Maturity Date” means the earlier of:

- (a) the date falling on the third anniversary of the Drawdown Date; and
- (b) 30 December 2024;

“Finance Documents” means:

- (a) this Agreement;
- (b) the Agency and Trust Deed;

- (c) the Corporate Guarantee;
- (d) any Fee Letters;
- (e) the General Assignments;
- (f) the Mortgages;
- (g) the Account Pledge;
- (h) the Charterparty Assignments;
- (i) the Approved Manager's Undertakings;
- (j) the Shares Security Deeds;
- (k) the Subordination Agreement; and
- (l) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, the Corporate Guarantor, the Shareholder, the Approved Manager, the Collateral Provider or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Lenders under this Agreement or any of the other documents referred to in this definition;

"Financial Indebtedness" means, in relation to a person (the "**debtor**"), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, debenture, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility or dematerialised equivalent made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (e) if the references to the debtor referred to the other person;

"Funding Rate" means any rate notified to the Agent by a Lender pursuant to Clause 5.12 (*Alternative rate of interest in absence of agreement*);

"General Assignment" means, in relation to a Ship, a general assignment of the Earnings, the Insurances and any Requisition Compensation, in such form as the Lenders may approve or require and in the plural means all of them;

“**Group**” means together, the Corporate Guarantor and its wholly-owned subsidiaries (direct or indirect) including, but not limited to, the Borrowers and the Collateral Providers from time to time during the Security Period and “**member of the Group**” shall be construed accordingly;

“**IACS**” means the International Association of Classification Societies;

“**Initial Market Value**” means, in relation to a Ship, the Market Value thereof determined by taking the valuation of that Ship referred to in paragraph 6 of Schedule 3 (*Condition Precedent Documents*), Part B;

“**Insurances**” means, in relation to a Ship:

- (a) all policies and contracts of insurance, including entries of that Ship in any protection and indemnity or war risks association, which are effected in respect of that Ship, the Earnings or otherwise in relation to it whether before, on or after the date of this Agreement; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement;

“**Interest Period**” means a period determined in accordance with Clause 6 (*Interest Periods*);

“**Interpolated Screen Rate**” means, in relation to LIBOR for an Interest Period, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than that Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds that Interest Period,

each as of 11.00 a.m. (London time) on the Quotation Day for the currency of the Loan;

“**ISM Code**” means, in relation to its application to the Borrowers, the Ships and their operation:

- (a) ‘The International Management Code for the Safe Operation of Ships and for Pollution Prevention’, currently known or referred to as the ‘ISM Code’, adopted by the Assembly of the International Maritime Organisation by Resolution A.741(18) on 4 November 1993 and incorporated on 19 May 1994 into chapter IX of the International Convention for the Safety of Life at Sea 1974 (SOLAS 1974); and
- (b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including without limitation, the ‘Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations’ produced by the International Maritime Organisations pursuant to Resolution A.788(19) adopted on 25 November 1995,

as the same may be amended, supplemented or replaced from time to time;

“**ISM Code Documentation**” includes, in relation to a Ship:

- (a) the document of compliance (DOC) and safety management certificate (SMC) issued pursuant to the ISM Code within the periods specified by the ISM Code; and
- (b) all other documents and data which are relevant to the ISM SMS and its implementation and verification which the Agent may require; and
- (c) any other documents which are prepared or which are otherwise relevant to establish and maintain that Ship’s or that Borrower’s compliance with the ISM Code which the Agent may require;

“**ISM SMS**” means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

“**ISPS Code**” means the International Ship and Port Facility Security Code constituted pursuant to resolution A.924 (22) of the International Maritime Organisation (“**IMO**”) adopted by a Diplomatic conference of the IMO on Maritime Security on 13 December 2002 and now set out in Chapter XI-2 of the Safety of Life at Sea Convention (SOLAS) 1974 (as amended) to take effect on 1 July 2004;

“**ISSC**” means a valid and current International Ship Security Certificate issued under the ISPS Code;

“**Lender**” means, subject to Clause 26.6 (*Lender re-organisation; waiver of Transfer Certificate*):

- (a) a bank or financial institution listed in Schedule 1 and acting through its branch or office indicated in Schedule 1 (*Lenders and Commitments*) (or through another branch notified to the Borrowers under Clause 26.14 (*Change of lending office*)) unless it has delivered a Transfer Certificate or Certificates covering the entire amounts of its Commitment and its Contribution; and
- (b) the holder for the time being of a Transfer Certificate;

“**LIBOR**” means, for an Interest Period:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for that Interest Period) the Interpolated Screen Rate; or
- (c) if:
 - (i) no Screen Rate is available for the currency of the Loan; or
 - (ii) no Screen Rate is available for that Interest Period and it is not possible to calculate an Interpolated Screen Rate, the Reference Bank Rate,

as of, in the case of paragraphs (a) to (c) above, 11.00 a.m. (London time) on the Quotation Day for the currency of the Loan and for a period equal in length to that Interest Period and, if any such rate is below zero, LIBOR will be deemed to be zero;

“**Loan**” means the principal amount for the time being outstanding under this Agreement;

“**Major Casualty**” means, in relation to a Ship, any casualty to that Ship in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$500,000 or the equivalent in any other currency;

“**Majority Lenders**” means:

- (a) before the Advance has been made, Lenders whose Commitments total 66.67 per cent. of the Total Commitments; and
- (b) after the Advance has been made, Lenders whose Contributions total 66.67 per cent. of the Loan,

and in any event in respect of (a) and (b) above shall not consist of less than two Lenders;

“**Mandated Lead Arrangers**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre and BNP Paribas whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France;

“**Margin**” means:

- (a) for the period commencing on the Date of this Agreement and ending on 30 April 2022, 3.25 per cent. per annum; or
- (b) if by 30 April 2022, the Senior Secured Notes Indebtedness is not refinanced in full (or repaid, or amended and extended) with a new maturity date falling after the Final Maturity Date or repaid in full, 3.75 per cent. per annum; or
- (c) if by 30 April 2022, the Senior Secured Notes Indebtedness is refinanced in full (or repaid, or amended and extended) with a new maturity date falling after the Final Maturity Date or repaid in full, 2.85 per cent. per annum;

“**Market Value**” means the market value of the Ship determined from time to time in accordance with Clause 15.4 (*Valuation of Ship*);

“**Minimum Liquidity**” has the meaning given in Clause 11.20 (*Minimum Liquidity*);

“**Mortgage**” means, in relation to a Ship, the first preferred or, as the case may be, priority ship mortgage and, if applicable, deed of covenant collateral thereto on that Ship, executed by the Borrower which is the owner thereof in favour of the Security Trustee or (as the case may be) the Lenders, in such form as the Lenders may approve or require and in the plural means all of them;

“**Mortgage Notes**” means the first priority ship mortgage notes of \$650,000,000 issued on 29 November 2013 by the Corporate Guarantor and Navios Maritime Finance II (US) Inc. with a scheduled maturity of 15 January 2022 at a fixed rate of 7,375 per cent.;

“**Mortgage Notes Indebtedness**” means, at any date, any outstanding Financial Indebtedness (or part thereof) on that date under the Mortgage Notes;

“**Navios Shipmanagement**” means Navios Shipmanagement Inc., a corporation incorporated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Marshall Islands;

“**Negotiation Period**” has the meaning given in Clause 5.10 (*Negotiation of alternative rate of interest*);

“**Notifying Lender**” has the meaning given in Clause 23.1 (*Illegality*) or Clause 24.2 (*Increased cost claims*) as the context requires;

“**Payment Currency**” has the meaning given in Clause 21.5 (*Currency indemnity*);

“**Permitted Financial Indebtedness**” means the financial indebtedness incurred by Borrower B in the ordinary course of its business of owning and acquiring vessels and in relation to the vessels owned by it other than Ship B and Ship E;

“**Permitted Security Interests**” means:

- (a) Security Interests created by the Finance Documents;
- (b) at any time prior to the Drawdown Date, any Existing Security Interest;
- (c) liens for unpaid crew’s wages in accordance with usual maritime practice;
- (d) liens for salvage;
- (e) liens arising by operation of law for not more than 2 months’ prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;
- (f) liens for master’s disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 45 days overdue (unless the overdue amount is being contested by the relevant Borrower in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to paragraph (g) of Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*);
- (g) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the relevant Borrower is prosecuting or defending such action in good faith by appropriate steps;
- (h) Security Interests arising by operation of law in respect of taxes which are not overdue for payment other than taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made; and
- (i) in relation to Borrower B any Security Interests created under the Permitted Financial Indebtedness;

“**Person**” has the meaning given to it in Clause 10.18 (*Sanctions*);

“Pertinent Jurisdiction”, in relation to a company, means:

- (a) England and Wales;
- (b) the country under the laws of which the company is incorporated or formed;
- (c) a country in which the company’s central management and control is or has recently been exercised;
- (d) a country in which the overall net income of the company is subject to corporation tax, income tax or any similar tax;
- (e) a country in which assets of the company (other than securities issued by, or loans to, related companies) having a substantial value are situated, in which the company maintains a permanent place of business, or in which a Security Interest created by the company must or should be registered in order to ensure its validity or priority; and
- (f) a country the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the company or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (a) or (c) above;

“Poseidon Principles” means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published in June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organisation from time to time;

“Potential Event of Default” means an event or circumstance which, with the giving of any notice, the lapse of time, a determination of the Majority Lenders and/or the satisfaction of any other condition, would constitute an Event of Default;

“Quotation Date” means, in relation to any period for which an interest rate is to be determined under any provision of a Finance Document, the day which is 2 Business Days in London before the first day of that period, unless market practice differs in the London Interbank Market for a currency, in which case the Quotation Date will be determined by the Agent in accordance with market practice in the London Interbank Market (and if quotations would normally be given by leading banks in the London Interbank Market on more than one day, the Quotation Date will be the last of those days);

“Reference Bank” means, in relation to the determination of LIBOR and any mandatory costs, the London office of such bank as may be appointed by the Agent after consultation with (but without the approval of) the Borrowers;

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

- (a) if:
 - (i) the Reference Bank is a contributor to the Screen Rate; and
 - (ii) it consists of a single figure,

as the rate (applied to the relevant Reference Bank and the relevant currency and period) which contributes to the Screen Rate and asked to submit to the relevant administrator; or

- (b) in any other case, as the rate at which the Reference Bank could fund itself in dollars for the relevant period with reference to the unsecured whole sale funding market;

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Person**” has the meaning given in Clause 19.9 (*Relevant Persons*);

“**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board;

“**Repayment Date**” means a date on which a repayment is required to be made under Clause 8 (*Repayment and Prepayment*);

“**Repayment Instalment**” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“**Replacement Benchmark**” means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

(i) the administrator of that Screen Rate; or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (ii) above;

- (b) in the opinion of the Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or

- (c) in the opinion of the Lenders and the Borrowers, an appropriate successor to a Screen Rate;

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;

“**Requisition Compensation**” includes all compensation or other moneys payable by reason of any act or event such as is referred to in paragraph (b) of the definition of “Total Loss”;

“**Retention Account**” means an account in the joint names of the Borrowers with the Account Bank as per Schedule 6 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces this account and is designated by the Agent as the Retention Account for the purposes of this Agreement;

“**Sanctioned Person**” has the meaning given to it in Clause 10.18 (*Sanctions*);

“**Sanctioned Country**” has the meaning given to it in Clause 10.18 (*Sanctions*);

“**Sanctions**” means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council and/or the European Union and/or any of its member states and/or Her Majesty’s Treasury and/or the State Secretariat for Economic Affairs of Switzerland (SECO) and/or the French Republic or other relevant sanctions authority;

“**Screen Rate**” means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page LIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers.

“**Screen Rate Replacement Event**” means, in relation to a Screen Rate:

- (a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Lenders, and the Borrowers materially changed;
- (b)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,
provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or

- (v) the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information:
 - (A) stating that that Screen Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and
 - (B) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or
- (c) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Lenders and the Borrowers) temporary; or
 - (ii) that Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than the Screen Rate Contingency Period; or
- (d) in the opinion of the Lenders and the Borrowers, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement;

“Secured Liabilities” means all liabilities which the Borrowers, the Security Parties or any of them have, at the date of this Agreement or at any later time or times, under or by virtue of the Finance Documents or any judgment relating to the Finance Documents; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country;

“Security Cover Ratio” means, at any relevant time, the aggregate of:

- (a) the aggregate of the Market Value of the Ships and the credit balance standing at such time to the credit of the Retention Account; plus
 - (b) the net realisable value of any additional security provided at that time under Clause 15 (*Security Cover*),
- expressed as a percentage of the Loan;

“Security Interest” means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind; and
- (b) the rights of the plaintiff under an action *in rem* in which the vessel concerned has been arrested or a writ has been issued or similar step taken;

“**Security Party**” means the Corporate Guarantor, the Approved Manager, the Shareholder and any other person (except a Creditor Party, an Existing Charterer and a Collateral Charterer) who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the final paragraph of the definition of “Finance Documents”;

“**Security Period**” means the period commencing on the date of this Agreement and ending on the date on which the Agent notifies the Borrowers, the Security Parties and the other Creditor Parties that:

- (a) all amounts which have become due for payment by a Borrower or any Security Party under the Finance Documents have been paid;
- (b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;
- (c) no Borrower nor any Security Party has any future or contingent liability under Clause 20 (*Fees and Expenses*), 21 (*Indemnities*) or 22 (*No Set-off or Tax Deduction*) below or any other provision of this Agreement or another Finance Document; and
- (d) the Agent, the Security Trustee and the Lenders do not consider that there is a significant risk that any payment or transaction under a Finance Document would be set aside, or would have to be reversed or adjusted, in any present or possible future bankruptcy of a Borrower or a Security Party or in any present or possible future proceeding relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created by a Finance Document;

“**Security Trustee**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any successor of it appointed under clause 5 (*appointment of a new servicing bank*) of the Agency and Trust Deed;

“**Senior Secured Notes**” means the senior secured notes of \$305,000,000 issued on 21 November 2017 by the Corporate Guarantor and Navios Maritime Finance II (US) Inc. with a scheduled maturity of 15 August 2022 at a fixed rate of 11,25 per cent.;

“**Senior Secured Notes Indebtedness**” means, at any date, any outstanding Financial Indebtedness (or part thereof) on that date under the Senior Secured Notes;

“**Shareholder**” means:

- (a) in relation to Borrower A, Borrower E and Borrower F, Anemos Maritime Holdings Inc., a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;
- (b) in relation to Borrower B, NAV Holdings Limited, a company incorporated under the laws of Malta whose registered office is at 25/16 Vincenti Buildings, Strait Street, Valletta VLT 1432, Malta;

- (c) in relation to Borrower C, Aquis Marine Corp., a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960; and
- (d) in relation to Borrower D, Navios Asia LLC, a limited liability company formed under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Shares Security Deed**” means, in respect of all the issued shares in each Borrower, a pledge of such shares executed or to be executed by the Shareholder in favour of the Security Trustee, in such form as the Lenders may approve or require;

“**Ship**” means each of Ship A, Ship B, Ship C, Ship D, Ship E, Ship F and Ship G and, in the plural, means all of them;

“**Ship A**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship B**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship C**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship D**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship E**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship F**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Ship G**” has the meaning given to that term in Schedule 5 (*Vessel Details*);

“**Subordinated Creditor**” means Navios Shipmanagement Holdings Corporation, a corporation incorporated under the laws of the Marshall Islands whose registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Subordinated Liabilities**” means all indebtedness owed or expressed to be owed by the Corporate Guarantor to a Subordinated Creditor under the Subordinated Loan Agreements;

“**Subordinated Loan Agreement**” means:

- (a) loan agreement dated 29 August 2019 and made between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender as amended and restated on or around the date of this Agreement;
- (b) loan agreement dated 29 June 2021 and made between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender as amended and restated on or around the date of this Agreement;

- (c) any supplemental agreement entered or to be entered into between (i) the Corporate Guarantor as borrower and (ii) the Subordinated Creditor as lender amending, supplementing and/or restating the Subordinated Loan Agreements referred to in paragraphs (a) and/or (b) above; and
- (d) any other amendment and/or supplement related to the Subordinated Liabilities;

“**Subordination Agreement**” means a subordination agreement entered into or to be entered into by the Subordinated Creditor and the Agent in such form as the Lenders may approve or require;

“**Total Loss**” means in relation to a Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship;
- (b) any expropriation, confiscation, requisition or acquisition of a Ship whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority, excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension unless a Ship is within 30 days redelivered to the full control of the Borrower owning that Ship;
- (c) any condemnation of that Ship by any tribunal or by any person or person claiming to be a tribunal; and
- (d) any arrest, capture, seizure, confiscation or detention of that Ship (including any hijacking or theft) unless it is within the Relevant Period redelivered to the full control of the Borrower owning that Ship.

In this definition “**Relevant Period**” means:

- (a) in the case of any arrest of a Ship, within 1 month; and
- (b) in the case of piracy or capture, seizure, confiscation or detention of a Ship (including any hijacking or theft) 90 days **Provided that** if the relevant underwriters confirm to the Agent in writing prior to the end of the 90-day period referred to in (i) above that the relevant Ship is subject to an approved piracy insurance cover, the earlier of 12 months after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires;

“**Total Loss Date**” means in relation to a Ship:

- (a) in the case of an actual loss, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given to the insurers; and

- (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower owning that Ship, with that Ship's insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of total loss, on the earlier of:
 - (i) the date at which a total loss is subsequently admitted by such insurers;
 - (ii) the date at which a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred, if such insurers do not immediately admit such claim; or
 - (iii) the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

"Transfer Certificate" has the meaning given in Clause 26.2 (*Transfer by a Lender*);

"Trust Property" has the meaning given in clause 3.1 (*definition of "trust property"*) of the Agency and Trust Deed;

"UK Bail-In Legislation" means Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutes or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

"US" means the United States of America;

"US GAAP" means generally accepted international accounting principles as from time to time in effect in the United States of America;

"US Tax Obligor" means:

- (a) a person which is resident for tax purposes in the United States of America; or
- (b) a person some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes; and

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Construction of certain terms

- (a) In this Agreement:

“**approved**” means, for the purposes of Clause 13 (*Insurance*), approved in writing by the Agent;

“**asset**” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“**company**” includes any partnership, joint venture and unincorporated association;

“**consent**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

“**contingent liability**” means a liability which is not certain to arise and/or the amount of which remains unascertained;

“**document**” includes a deed; also a letter or fax;

“**excess risks**” means, in relation to a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of the Ship in consequence of its insured value being less than the value at which the Ship is assessed for the purpose of such claims;

“**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**law**” includes any form of delegated legislation, any order or decree, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 1.3 (*Meaning of “month”*);

“**obligatory insurances**” means, in relation to a Ship, all insurances effected, or which the Borrower owning that Ship, is obliged to effect, under Clause 13 or any other provision of this Agreement or another Finance Document;

“**parent company**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**person**” includes any individual, any entity, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**successor**” includes any person who is entitled (by assignment, novation, merger or otherwise) to any other person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine;

“**war risks**” includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision; and

“**which is continuing**” or “**is continuing**”, a Potential Event of Default is continuing if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.

(b) In this Agreement, where it relates to Borrower B, a reference to:

“**gross negligence**” is a reference to *zware fout/faute lourde* and “**wilful misconduct**” is a reference to *opzet/dol*;

a “**liquidator**”, “**receiver**”, “**administrative receiver**”, “**administrator**” or similar officer includes any *insolventiefunctionaris/praticien de l’insolvabilité, curator/curateur, vereffenaar/liquidateur, gedelegeerd rechter/juge délégué, ondernemingsbemiddelaar/médiateur d’entreprise, gerechtsmandataris/mandataire de justice, voorlopig bewindvoerder/administrateur provisoire, gerechtelijk bewindvoerder/administrateur judiciaire, mandataris ad hoc/mandataire ad hoc* and any *sekwester/séquestre*;

a “**suspension of payments**”, “**moratorium**”, or “**reorganisation**” includes any *gerechtelijke reorganisatie/réorganisation judiciaire*;

an “**insolvency**” includes any *insolventieprocedure/procedure d’insolvabilité, gerechtelijke reorganisatie/réorganisation judiciaire, faillissement/faillite* and any other concurrence between creditors (*samenloop van schuldeisers/concours des créanciers*);

a “**security interest**” includes a mortgage (*hypothek/hypothèque*), a pledge (*pand/gage*), a transfer by way of security (*overdracht ten titel van zekerheid/transfert à titre de garantie*), any other proprietary security interest (*zakelijke zekerheid/sûreté réelle*), a mandate to grant a mortgage, a pledge or any other real surety, a privilege (*voorrecht/privilège*) and a retention of title (*eigendomsvoorbehoud/réserve de propriété*);

an obligor being “**incorporated**” in Belgium or of which its “**jurisdiction of incorporation**” is Belgium, means that that Security Party has its registered office (*zetel/siège*) in Belgium;

a person being “**unable to pay its debts**” is that person being in a state of cessation of payments (*staking van betaling/cessation de paiements*);

a “**composition**” includes any *minnelijk akkoord met schuldeisers/accord amiable avec des créanciers* or any *gerechtelijke reorganisatie/réorganisation judiciaire*;

“**winding-up**”, “**administration**” or “**dissolution**” includes any *vereffening/liquidation, ontbinding/dissolution, sluiting van een onderneming/fermeture d’entreprise* and *faillissement/faillite*;

“**attachment**”, “**sequestration**”, “**distress**”, “**execution**” or analogous procedures includes any *uitvoerend beslag/saisie exécution* and *bewaarend beslag/saisie conservatoire*;

an “**amalgamation**”, “**demerger**”, “**merger**” or “**corporate reconstruction**” includes an *overdracht van algemeenheid/transfert d’universalité, an overdracht van bedrijfstak/transfert de branche d’activité, a splitsing/scission* and a *fusie/fusion* as well as assimilated transactions (*gelijkgestelde verrichtingen/operations assimilées*) in accordance with article 12:7 and 12:8 of the Belgian Code of Companies and Associations;

the “**Belgian Civil Code**” means the Belgian *oud Burgerlijk Wetboek/ancien Code Civil*, as amended from time to time, or after its replacement, the Belgian *Burgerlijk Wetboek/Code Civil*, as amended from time to time; and

the “**Belgian Code of Companies and Associations**” means the Belgian *Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations* dated 23 March 2019, as amended from time to time.

1.3 Meaning of “month”

A period of one or more “months” ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started (“**the numerically corresponding day**”), but:

- (a) on the Business Day following the numerically corresponding day if the numerically corresponding day is not a Business Day or, if there is no later Business Day in the same calendar month, on the Business Day preceding the numerically corresponding day; or
- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day,
and “month” and “monthly” shall be construed accordingly.

1.4 Meaning of “subsidiary”

A company (S) is a subsidiary of another company (P) if:

- (a) a majority of the issued shares in S (or a majority of the issued shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P; or
- (b) P has direct or indirect control over a majority of the voting rights attached to the issued shares of S;
and any company of which S is a subsidiary is a parent company of S **Provided** that there shall be excluded from this definition any subsidiaries which are listed on a public stock exchange.

1.5 General Interpretation

- (a) In this Agreement:
 - (i) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
 - (ii) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise; and
 - (iii) words denoting the singular number shall include the plural and vice versa.
- (b) Clauses 1.1 (*Definitions*) to 1.4 (*Meaning of “subsidiary”*) and paragraph (a) of this Clause 1.5 (*General Interpretation*) apply unless the contrary intention appears.
- (c) References in Clauses 1.1 (*Definitions*) to a document being in the form of a particular Appendix include references to that form with any modifications to that form which the Agent (with the authorisation of the Lenders in the case of substantial modifications) approves or requires.
- (d) The clause headings shall not affect the interpretation of this Agreement.

2 LOAN FACILITY

2.1 Amount of loan facility

Subject to the other provisions of this Agreement, the Lenders shall make available to the Borrowers a senior secured term loan facility, in one Advance, in an aggregate amount not exceeding the Total Commitments.

2.2 Lenders' participations in the Advance

Subject to the other provisions of this Agreement, each Lender shall participate in the Advance in the proportion which, as at the Drawdown Date, its Commitment bears to the Total Commitments.

2.3 Purpose of Advance

The Borrowers undertake with each Creditor Party to use the Advance only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests of Lenders several

The rights of the Creditor Parties under this Agreement are several; accordingly each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Security Trustee or any other Creditor Party as additional parties in the proceedings, save that the Security Interests created by any of the Finance Documents may only be enforced in accordance with Clause 19.2 (*Actions following an Event of Default*).

3.2 Proceedings by individual Creditor Party

However, without the prior consent of the Lenders, no Creditor Party may bring proceedings in respect of:

- (a) any other liability or obligation of any Borrower or a Security Party under or connected with a Finance Document; or
- (b) any misrepresentation or breach of warranty by any Borrower or a Security Party in or connected with a Finance Document.

3.3 Obligations of Creditor Parties several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) a Borrower, any Security Party or any other Lender being discharged (in whole or in part) from its obligations under any Finance Documents, and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

3.4 Parties bound by certain actions of Lenders

Every Lender, each Borrower and each Security Party shall be bound by:

- (a) any determination made, or action taken, by the Lenders under any provision of a Finance Document;
- (b) any instruction or authorisation given by the Lenders to the Agent or the Security Trustee under or in connection with any Finance Document; and
- (c) any action taken (or in good faith purportedly taken) by the Agent or the Security Trustee in accordance with such an instruction or authorisation.

3.5 Reliance on action of Agent

However, each Borrower and each Security Party:

- (a) shall be entitled to assume that the Lenders have duly given any instruction or authorisation which, under any provision of a Finance Document, is required in relation to any action which the Agent has taken or is about to take; and
- (b) shall not be entitled to require any evidence that such an instruction or authorisation has been given.

3.6 Construction

In Clauses 3.4 (*Parties bound by certain actions of Lenders*) and 3.5 (*Reliance on action of Agent*) references to action taken include (without limitation) the granting of any waiver or consent, an approval of any document and an agreement to any matter.

4 DRAWDOWN

4.1 Request for Advance

- (a) Subject to the following conditions, the Borrowers may request the Advance to be advanced by ensuring that the Agent receives a completed Drawdown Notice not later than 11.00 a.m. (Paris time) 2 Business Days prior to the intended Drawdown Date (or such other shorter period as the Lenders may agree).
- (b) The Borrowers may not deliver more than one Drawdown Notice.

4.2 Availability

The conditions referred to in Clause 4.1 (*Request for Advance*) are that:

- (a) the Drawdown Date has to be a Business Day during the Availability Period;
- (b) the amount of the Advance shall not exceed the lesser of (i) \$105,000,000 and (ii) 65 per cent. of the aggregate Initial Market Value of the Ships;
- (c) the Advance shall be made available in a single amount; and
- (d) the amount of the Advance shall not exceed the Total Commitments.

4.3 Notification to Lenders of receipt of a Drawdown Notice

The Agent shall promptly notify the Lenders that it has received a Drawdown Notice and shall inform each Lender of:

- (a) the amount of the Advance and the Drawdown Date;
- (b) the amount of that Lender's participation in the Advance; and
- (c) the duration of the first Interest Period.

4.4 Drawdown Notice irrevocable

A Drawdown Notice must be signed by an officer or other authorised person of each Borrower; and once served a Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Majority Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on the Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender under Clause 2.2 (*Lenders' participations in the Advance*).

4.6 Disbursement of Advance

Subject to the provisions of this Agreement, the Agent shall on the Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.5 (*Lenders to make available Contributions*); and that payment to the Borrowers shall be made:

- (a) to the account which the Borrowers specify in the Drawdown Notice; and
- (b) in the like funds as the Agent received the payments from the Lenders.

4.7 Disbursement of Loan to third party

The payment by the Agent under Clause 4.6 (*Disbursement of Advance*) to any third party specified by the Borrowers in the Drawdown Notice shall constitute the making of the Advance and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's Contribution.

5 INTEREST

5.1 Payment of normal interest

Subject to the provisions of this Agreement, interest on the Loan in respect of each Interest Period shall be paid by the Borrowers on the last day of that Interest Period.

5.2 Normal rate of interest

Subject to the provisions of this Agreement, the rate of interest on each Advance in respect of an Interest Period shall be the aggregate of (i) the Margin and (ii) LIBOR for that Interest Period subject to Clauses 5.6 (*Absence of quotations by Reference Bank*) and 5.7 (*Market disruption*).

5.3 Payment of accrued interest

In the case of an Interest Period longer than 3 months, accrued interest shall be paid every 3 months during that Interest Period and on the last day of that Interest Period.

5.4 Notification of Interest Periods and rates of normal interest

The Agent shall notify the Borrowers and each Lender of:

- (a) each rate of interest; and
 - (b) the duration of each Interest Period,
- as soon as reasonably practicable after each is determined.

5.5 Obligation of Reference Bank to quote

Each of the Reference Banks which is a Lender shall use all reasonable efforts to supply the quotation required of it for the purposes of fixing a rate of interest under this Agreement unless that Reference Bank ceases to be a Lender pursuant to Clause 26.16 (*Security over Lenders' rights*).

5.6 Absence of quotations by Reference Bank

If any Reference Bank fails to supply a quotation, the relevant rate of interest shall be set in accordance with the following provisions of this Clause 5 (*Interest*).

5.7 Market disruption

The following provisions of this Clause 5 (*Interest*) apply if:

- (a) LIBOR is to be determined by reference to the Reference Banks and no Reference Bank does, before 1.00 p.m. (London time) on the Quotation Date for an Interest Period, provide quotations to the Agent in order to fix LIBOR; or
- (b) at least 1 Business Day before the start of an Interest Period, a Lender may notify the Agent that LIBOR fixed by the Agent would not accurately reflect the cost to that Lender of funding its respective Contribution (or any part of it) during the Interest Period in the London interbank market at or about 11.00 a.m. (London time) on the Quotation Date for the Interest Period; or
- (c) at least 1 Business Day before the start of an Interest Period, the Agent is notified by a Lender (the "**Affected Lender**") that for any reason it is unable to obtain Dollars in the London Interbank Market in order to fund its Contribution (or any part of it) during the Interest Period.

5.8 Notification of market disruption

The Agent shall promptly notify the Borrowers and each of the Lenders stating the circumstances falling within Clause 5.7 (*Market disruption*) which have caused its notice to be given.

5.9 Suspension of drawdown

If the Agent's notice under Clause 5.8 (*Notification of market disruption*) is served before the Advance is made:

- (a) in a case falling within paragraphs (a) or (b) of Clause 5.7 (*Market disruption*), the Lenders' obligations to make such Advance;
- (b) in a case falling within paragraph (c) of Clause 5.7 (*Market disruption*), the Affected Lender's obligation to participate in such Advance, shall be suspended while the circumstances referred to in the Agent's notice continue.

5.10 Negotiation of alternative rate of interest

Subject to Clause 27.4 (*Replacement of Screen Rate*), if the Agent's notice under Clause 5.8 is served after the Advance is made, the Borrowers, the Agent and the Lenders or (as the case may be) the Affected Lender shall use reasonable endeavours to agree, within the 30 days after the date on which the Agent serves its notice under Clause 5.8 (the "**Negotiation Period**"), an alternative interest rate or (as the case may be) an alternative basis for the Lenders or (as the case may be) the Affected Lender to fund or continue to fund their or its Contribution during the Interest Period concerned.

5.11 Application of agreed alternative rate of interest

Subject to Clause 27.4 (*Replacement of Screen Rate*), any alternative interest rate or an alternative basis which is agreed during the Negotiation Period shall take effect in accordance with the terms agreed.

5.12 Alternative rate of interest in absence of agreement

Subject to Clause 27.4 (*Replacement of Screen Rate*), if an alternative interest rate or alternative basis is not agreed within the Negotiation Period, and the relevant circumstances are continuing at the end of the Negotiation Period, then the Agent shall, with the agreement of each Lender or (as the case may be) the Affected Lender, set an interest period and interest rate representing the cost of funding of the Lenders concerned or (as the case may be) the Affected Lender in Dollars or in any available currency of their or its Contribution plus the Margin; and the procedure provided for by this Clause 5.12 (*Alternative rate of interest in absence of agreement*) shall be repeated if the relevant circumstances are continuing at the end of the interest period so set by the Agent.

5.13 Notice of prepayment

If the Borrowers do not agree with an interest rate set by the Agent under Clause 5.12 (*Alternative rate of interest in absence of agreement*), the Borrowers may give the Agent not less than 15 Business Days' notice of their intention to prepay at the end of the interest period set by the Agent.

5.14 Prepayment; termination of Commitments

A notice under Clause 5.13 (*Notice of prepayment*) shall be irrevocable; the Agent shall promptly notify the Lenders or (as the case may require) the Affected Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Total Commitments or (as the case may require) the Commitment of the Affected Lender shall be cancelled; and

- (b) on the last Business Day of the interest period set by the Agent, the Borrowers shall prepay (without premium or penalty) the Loan or, as the case may be, the Affected Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin.

5.15 Application of prepayment

The provisions of Clause 8 (*Repayment and Prepayment*) shall apply in relation to the prepayment.

6 INTEREST PERIODS

6.1 Commencement of Interest Periods

The first Interest Period shall commence on the Drawdown Date and each subsequent Interest Period shall commence on the expiry of the preceding Interest Period.

6.2 Duration of normal Interest Periods

Subject to Clauses 6.3 (*Duration of Interest Periods for Repayment Instalments*) and 6.4 (*Non-availability of matching deposits for Interest Period selected*), each Interest Period shall be:

- (a) 3 or 6 months as notified by the Borrowers to the Agent not later than 11.00 a.m. (Paris time) 3 Business Days before the commencement of the Interest Period; or
- (b) 3 months, if the Borrowers fail to notify the Agent by the time specified in paragraph (a) above; or
- (c) such other period as the Agent may agree with the Borrowers, subject to additional funding costs (if any) for periods shorter than 3 months.

6.3 Duration of Interest Periods for Repayment Instalments

- (a) In respect of an amount due to be repaid under Clause 8 (*Repayment and Prepayment*) on a particular Repayment Date, an Interest Period shall end on that Repayment Date.
- (b) An Interest Period in respect of the Loan shall not extend beyond the Final Maturity Date.

6.4 Non-availability of matching deposits for Interest Period selected

If, after the Borrowers have selected an Interest Period longer than 3 months, any Lender notifies the Agent by 11.00 a.m. (London time) on the third Business Day before the commencement of the Interest Period that it is not satisfied that deposits in Dollars for a period equal to the Interest Period will be available to it in the London Interbank Market when the Interest Period commences, the Interest Period shall be 3 months.

7 DEFAULT INTEREST

7.1 Payment of default interest on overdue amounts

The Borrowers shall pay interest in accordance with the following provisions of this Clause 7 (*Default Interest*) on any amount payable by any Borrower under any Finance Document which the Agent, the Security Trustee or the other designated payee does not receive on or before the relevant date, that is:

- (a) the date on which the Finance Documents provide that such amount is due for payment; or

- (b) if a Finance Document provides that such amount is payable on demand, the date on which the demand is served; or
- (c) if such amount has become immediately due and payable under Clause 19.4 (*Acceleration of Loan*), the date on which it became immediately due and payable.

7.2 Default rate of interest

Interest shall accrue on an overdue amount from (and including) the relevant date until the date of actual payment (as well after as before judgment) at the rate per annum determined by the Agent to be 2 per cent. above:

- (a) in the case of an overdue amount of principal, the higher of the rates set out at paragraphs (a) and (b) of Clause 7.3 (*Calculation of default rate of interest*); or
- (b) in the case of any other overdue amount, the rate set out at paragraph (b) of Clause 7.3 (*Calculation of default rate of interest*).

7.3 Calculation of default rate of interest

The rates referred to in Clause 7.2 (*Default rate of interest*) are:

- (a) the rate applicable to the overdue principal amount immediately prior to the relevant date (but only for any unexpired part of any then current Interest Period);
- (b) the aggregate of the Margin plus, in respect of successive periods of any duration (including at call) up to 3 months which the Agent may select from time to time:
 - (i) LIBOR; or
 - (ii) if the Agent (after consultation with the Reference Bank) determines that Dollar deposits for any such period are not being made available to the Reference Bank by leading banks in the London Interbank Market in the ordinary course of business, a rate from time to time determined by the Agent by reference to the cost of funds to the Reference Bank from such other sources as the Agent (after consultation with the Reference Bank) may from time to time determine.

7.4 Notification of interest periods and default rates

The Agent shall promptly notify the Lenders and the Borrowers of each interest rate determined by the Agent under Clause 7.3 (*Calculation of default rate of interest*) and of each period selected by the Agent for the purposes of paragraph (b) of that Clause; but this shall not be taken to imply that the Borrowers are liable to pay such interest only with effect from the date of the Agent's notification.

7.5 Payment of accrued default interest

Subject to the other provisions of this Agreement, any interest due under this Clause shall be paid on the last day of the period by reference to which it was determined; and the payment shall be made to the Agent for the account of the Creditor Party to which the overdue amount is due.

7.6 **Compounding of default interest**

Any such interest which is not paid at the end of the period by reference to which it was determined shall thereupon be compounded.

8 **REPAYMENT AND PREPAYMENT**

8.1 **Amount of repayment instalments**

The Borrowers shall repay the Loan by:

- (a) 4 equal consecutive quarterly instalments each in the amount of \$6,500,000 followed by 8 equal consecutive quarterly instalments of \$4,750,000 (each a “**Repayment Instalment**” and together, the “**Repayment Instalments**”); and
- (b) a balloon instalment in the amount of up to \$41,000,000 (the “**Balloon Instalment**”).

Provided that if the amount of the Loan actually drawn down is less than \$105,000,000 each Repayment Instalment and the Balloon Instalment shall be reduced pro rata by an amount in aggregate equal to the undrawn amount.

8.2 **Repayment Dates**

The first Repayment Instalment shall be repaid on the date falling 3 months after the Drawdown Date with the remaining Repayment Instalments to be repaid at 3-months intervals thereafter and the last Repayment Instalment together with the Balloon Instalment shall be repaid on the Final Maturity Date.

8.3 **Final Repayment Date**

On the final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 **Voluntary prepayment**

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period in respect thereof.

8.5 **Conditions for voluntary prepayment**

The conditions referred to in Clause 8.4 (*Voluntary prepayment*) are that:

- (a) a partial prepayment shall be \$1,000,000 or an integral multiple of \$1,000,000;
- (b) the Agent has received from the Borrowers at least 3 Business Days’ prior written notice specifying the amount to be prepaid and the date on which the prepayment is to be made (such date shall be the last day of an Interest Period); and
- (c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by the Borrowers or any Security Party in connection with the prepayment has been obtained and remains in force, and that any requirement relevant to this Agreement which affects the Borrowers or any Security Party has been complied with.

8.6 Effect of notice of prepayment

A prepayment notice may not be withdrawn or amended without the consent of the Agent, given with the authority of the Majority Lenders, and the amount specified in the prepayment notice shall become due and payable by the Borrowers on the date for prepayment specified in the prepayment notice.

8.7 Notification of notice of prepayment

The Agent shall notify the Lenders promptly upon receiving a prepayment notice, and shall provide any Lender which so requests with a copy of any document delivered by the Borrowers under paragraph (c) of Clause 8.5 (*Conditions for voluntary prepayment*).

8.8 Mandatory prepayment

The Borrowers shall be obliged to prepay the Relevant Amount:

- (a) if a Ship is sold, on or before the date on which the sale is completed by delivery of that Ship to the buyer; or
- (b) if a Ship becomes a Total Loss, on the earlier of the date falling 180 days after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

In this Clause 8.8 (*Mandatory prepayment*):

“**Relevant Amount**” means:

- (i) an amount equal to the higher of:
 - (A) the Relevant Fraction of the Loan on the date on which the relevant Ship is sold or becomes a Total Loss; and
 - (B) an amount which after the application of the prepayment to be made pursuant to paragraph (b) of Clause 8.10 (*Application of partial prepayment*) results in the Security Cover Ratio being at last equal to the greater of (A) the Security Cover Ratio required to be maintained under Clause 15.1 (*Minimum required security cover*) and (B) the percentage which applied immediately prior to the applicable event described in paragraph (a) or (b) of this Clause 8.8 (*Mandatory prepayment*); or
- (ii) if the relevant Ship is the last Ship subject to a Mortgage, the whole of the Loan.

“**Relevant Fraction**” means a fraction of which the numerator is the Market Value of the Ship which is sold or becomes a Total Loss and the denominator is the aggregate of (A) the Market Value of the other Ships then subject to a Mortgage and (B) the Market Value of that Ship.

8.9 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 (*Indemnities*) below or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any sums payable under paragraph (b) of Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) but (subject to Clause 8.11 (*No reborrowing*)) without premium or penalty.

8.10 Application of partial prepayment

Any partial prepayment shall be applied:

- (a) if made pursuant to Clause 8.4 (*Voluntary prepayment*), *pro rata* against the then outstanding Repayment Instalments and the Balloon Instalment;
- (b) if made pursuant to Clause 8.8 (*Mandatory prepayment*):
 - (i) **FIRSTLY:** *pro rata* against the Repayment Instalments and the Balloon Instalment; and
 - (ii) **SECONDLY:** *pro rata* towards repayment of any overdue interest, any breakage costs, any accrued interest relating to the Loan, any other costs, fees, expenses, commissions due under this Agreement; and
 - (iii) **THIRDLY:** any surplus shall be released to the Borrowers **Provided that** no Event of Default or Potential Event of Default has occurred or is continuing.

8.11 No reborrowing

No amount repaid or prepaid may be reborrowed.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender's obligation to contribute to the Advance is subject to the following conditions precedent:

- (a) that on or before the date of this Agreement, the Agent receives:
 - (i) the documents described in Part A of Schedule 3 (*Condition Precedent Documents*) in a form and substance satisfactory to the Agent and its lawyers;
 - (ii) the up-front fee referred to in Clause 20.1 (*Up-front fee*);
 - (iii) the commitment fee referred to in Clause 20.2 (*Commitment fee*);
 - (iv) the agency fee referred to in Clause 20.3 (*Agency fee*); and
 - (v) payment in full of any expenses payable pursuant to Clause 20.2 (*Commitment fee*) which are due and payable on the date of this Agreement;
- (b) that, before or on the Drawdown Date, the Agent receives:
 - (i) the documents described in Part B of Schedule 3 (*Condition Precedent Documents*) in form and substance satisfactory to the Agent and its lawyers; and

- (ii) payment in full of any expenses payable pursuant to Clause 20.2 (*Commitment fee*) which are due and payable on the date of this Agreement;
- (c) that at the date of the Drawdown Notice and at the Drawdown Date:
- (i) no Event of Default or Potential Event of Default has occurred or is continuing or would result from the borrowing of the relevant Advance; and
 - (ii) the representations and warranties in Clause 10 (*Representations and Warranties*) and those of the Borrowers or any Security Party which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing;
 - (iii) none of the circumstances contemplated by Clause 5.7 (*Market disruption*) has occurred and is continuing; and
 - (iv) there has been no material adverse change in the business, management, condition (financial or otherwise), results of operations, operation, performance, prospects or properties of the Borrowers or any of them and/or the Corporate Guarantor applying as at 30 September 2021;
- (d) that, if the ratio set out in Clause 15.1 (*Minimum required security cover*) were applied immediately following the making of the Advance, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and
- (e) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit the Advance to be borrowed before certain of the conditions referred to in Clause 9.1 (*Documents, fees and no default*) are satisfied, the Borrowers shall ensure that those conditions are satisfied within 5 Business Days after the Drawdown Date (or such longer period as the Agent may, with the authority of the Majority Lenders, specify).

9.1 Condition subsequent

Borrower B undertakes to deliver or cause to be delivered to the Agent by 30 January 2022, a duly executed original of a Shares Security Deed in respect of all the issued shares in Borrower B executed by the Shareholder of Borrower B in favour of the Security Trustee.

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants (which representations and warranties (other than the ones in Clauses 10.11 (*Information*) and 10.12 (*No litigation*)) shall survive the execution of this Agreement and shall be deemed to be repeated throughout the Security Period on the first day of each Interest Period with respect to the facts and circumstances then existing) to each Creditor Party as follows.

10.2 Status

- (a) Each of Borrower A, Borrower C, Borrower D, Borrower E and Borrower F is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.
- (b) Borrower B is duly incorporated and validly existing and in good standing under the laws of the Kingdom of Belgium.

10.3 Share capital and ownership

- (a) Each of Borrower A, Borrower E and Borrower F are authorised to issue 500 registered and/or bearer shares without par value and has issued 500 shares, all of which are fully paid and non-assessable, and the ownership of all those shares is held in registered form by the relevant Shareholder, free of any Security Interest or other claim, save for any Security Interests created by the Finance Documents.
- (b) Borrower B is authorised to issue fifty-six thousand nine hundred and ninety (56,990) of no par value, and the ownership of all those shares is held in registered form by the relevant Shareholder, free of any Security Interest or other claim, save for any Security Interests created by the Finance Documents.
- (c) Each of Borrower C and Borrower D are authorised to issue five hundred (500) registered shares with a par value of one US Dollar (US\$1.00) per share and has issued 500 shares, all of which are fully paid and non-assessable, and the ownership of all those shares is held in registered form by the relevant Shareholder, free of any Security Interest or other claim, save for any Security Interests created by the Finance Documents.
- (d) All the shares of each Shareholder are held directly or indirectly, free of any Security Interest or other claim, by the Corporate Guarantor.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it to:

- (a) continue to own the Ship owned by it under the relevant Approved Flag;
- (b) execute the Finance Documents to which that Borrower is a party; and
- (c) borrow under this Agreement and to make all the payments contemplated by, and to comply with, those Finance Documents to which that Borrower is a party.

10.5 Consents in force

All the consents referred to in Clause 10.4 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity; effective Security Interests

The Finance Documents to which that Borrower is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

- (a) constitute that Borrower's legal, valid and binding obligations enforceable against that Borrower in accordance with their respective terms; and
 - (b) create legal, valid and binding Security Interests enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate,
- subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity; effective Security Interests*), at the time of the execution and delivery of each Finance Document to which a Borrower is a party:

- (a) each Borrower will have the right to create all the Security Interests which that Finance Document purports to create; and
- (b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts

The execution by a Borrower of each Finance Document to which it is a party, and the borrowing by that Borrower of the Loan, and its compliance with each Finance Document to which it is a party will not involve or lead to a contravention of:

- (a) any law or regulation; or
- (b) the constitutional documents of that Borrower; or
- (c) any contractual or other obligation or restriction which is binding on that Borrower or any of its assets.

10.9 No withholding taxes

All payments which each Borrower is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default

No Event of Default or Potential Event of Default has occurred and is continuing or would result from the entry into, the performance of, or any transaction contemplated by, any Finance Document.

10.11 Information

All information which has been provided in writing by or on behalf of the Borrowers or any member of the Group to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfied the requirements of Clause 11.7 (*Form of financial statements*); and there has been no material adverse change in the financial position or state of affairs, operation, performance or prospects of the Borrowers or any of them or any Security Party (excluding the Approved Manager) as at 30 June 2021 from that disclosed to the Agent.

10.12 No litigation

No material, legal or administrative action involving any Borrower or any Security Party (excluding the Approved Manager) has been commenced or taken or, to a Borrower's knowledge, is likely to be commenced or taken.

10.13 Compliance with certain undertakings

At the date of this Agreement, each Borrower is in compliance with Clauses 11.2 (*Title and negative pledge*), 11.4 (*No other liabilities or obligations to be incurred*), 11.9 (*Consents*) and 11.13 (*Confirmation of no default*).

10.14 Taxes paid

Each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or the Ship owned by it.

10.15 No money laundering; anti-bribery

None of the Borrowers, the Security Parties and the Designated Shareholder nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, have engaged in any activity or conduct which would violate any applicable sanctions, anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules and each of the Borrowers, the Security Parties and the Designated Shareholder has instituted and maintains policies and procedures designed to prevent violation of such laws, regulations and rules.

10.16 ISM Code, ISPS Code Compliance and Environmental Laws

All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to the Borrowers, the Approved Manager and the Ships have been complied with.

10.17 No immunity

No Borrower, nor any of its assets is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit attachment prior to judgement, execution or other enforcement).

10.18 Sanctions

None of the Borrowers, the Security Parties, the Designated Shareholder or any charterer in respect of a Ship nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, is an individual or entity (a "**Person**"), that is, or is owned or controlled by Persons that are: (i) the target of any Sanctions (a "**Sanctioned Person**") or (ii) located, organized or resident in a country or territory that is, or whose government is, the target of Sanctions broadly prohibiting dealings with such government, country or territory (a "**Sanctioned Country**") or (iii) in violation of any Sanctions, anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules.

10.19 Validity and completeness of the Existing Charters and the Collateral Charters

- (a) Each Existing Charter and Collateral Charter constitute legal, valid, binding and enforceable obligations of each Borrower and each Collateral Provider which is a party thereto.
- (b) The copies of the Existing Charters and the Collateral Charters delivered to the Agent before the date of this Agreement are true and complete copies.
- (c) No amendments or additions to any Existing Charter and any Collateral Charter have been agreed nor has any Borrower or any Collateral Provider waived any of its respective rights under the relevant Existing Charter and the relevant Collateral Provider.

10.20 Insolvency

In relation to each Borrower, no corporate action, legal proceeding or other procedure or step described in paragraph (g) of Clause 19.1 (*Events of Default*) or creditors' process described in that clause has been taken or, to its knowledge, threatened in relation to it, and none of the circumstances described in paragraph (g) of Clause 19.1 (*Events of Default*) applies to it.

11 GENERAL UNDERTAKINGS

11.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 11 (*General Undertakings*) at all times during the Security Period except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

11.2 Title and negative pledge

Each Borrower will:

- (a) hold the legal title to, and own the entire beneficial interest in the Ship owned by it, the Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents;
- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future; and
- (c) procure that its liabilities under the Finance Documents to which it is party do and will rank at least *pari passu* with all other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.3 No disposal of assets

No Borrower will transfer, lease or otherwise dispose of:

- (a) all or a substantial part of its assets, whether by one transaction or a number of transactions, whether related or not; or
- (b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation,

but paragraph (a) does not apply to any charter of a Ship as to which Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*) applies.

11.4 No other liabilities or obligations to be incurred

No Borrower will incur any liability or obligation except:

- (a) liabilities and obligations under the Finance Documents to which it is a party and under the relevant unsecured guarantee executed by each Borrower under the Senior Secured Notes and the Subordinated Loan Agreements;
- (b) in relation to Borrower B, any Permitted Financial Indebtedness;
- (c) subject to other provisions of this Agreement, liabilities or obligations reasonably incurred in the ordinary course of trading, maintaining, repairing, operating and chartering the Ship owned by it; and
- (d) Financial Indebtedness to any other corporation which is a member of the Group or individual who is a shareholder or majority shareholder in a member of the Group **Provided that** such Financial Indebtedness shall be fully subordinated to the Loan and the relevant Borrower shall, promptly following the Agent's demand, execute or procure the execution of any documents which the Agent specifies to create or maintain the subordination of the rights of the relevant member of the Group against the relevant Borrower to those of the Creditor Parties under the Finance Documents.

11.5 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of a Borrower under or in connection with any Finance Document will be true, correct, accurate and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements

Each Borrower will send or procure that they are sent to the Agent:

- (a) as soon as possible, but in no event later than 180 days after the end of each financial year of the Corporate Guarantor (commencing with the financial year ending on 31 December 2021), the audited annual consolidated accounts of the Group; and
- (b) as soon as possible, but in no event later than 90 days after the end of the 6-month period ending on 30 June in each financial year of the Corporate Guarantor (commencing with the 6-month period ending on 30 June 2022), the unaudited semi-annual consolidated management accounts in respect of the Group, duly certified as to their correctness by an officer of the Corporate Guarantor; and
- (c) promptly after each request by the Agent, such further financial information about that Borrower, the Ship owned by it and the Corporate Guarantor or any other member of the Group (including, but not limited to, information regarding the charter arrangements, Financial Indebtedness and operating expenses) as the Agent may require.

11.7 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.6 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and US GAAP;
- (b) give a true and fair view of the state of affairs of the relevant person at the date of those accounts and of its profit for the period to which those accounts relate; and
- (c) fully disclose or provide for all significant liabilities of the Group.

11.8 Shareholder notices

Each Borrower will send to the Agent following a request by the Agent, and at the same time as they are despatched, copies of all communications which are despatched to that Borrower's shareholders or any class of them.

11.9 Consents

Each Borrower will, and will procure that each Security Party will, maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

- (a) for that Borrower and that Security Party to perform its obligations under any Finance Document or any Charterparty to which it is party;
- (b) for the validity or enforceability of any Finance Document and any Charterparty to which it is party; and
- (c) for that Borrower to continue to own and operate the Ship owned by it,

and that Borrower will, and will procure that each Security Party will, comply with the terms of all such consents.

11.10 Maintenance of Security Interests

Each Borrower will:

- (a) at its own cost, do all that it reasonably can to ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a) above, at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document, give any notice or take any other step which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.11 Notification of litigation

Each Borrower will provide the Agent with details of any legal or administrative action involving that Borrower, any Security Party, the Approved Manager, the Ship owned by it, the Earnings or the Insurances in respect of that Ship as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document.

11.12 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated in paragraph (a) of Clause 28.2 (*Addresses for communications*); and no Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in the United States or the United Kingdom or any country other than Greece.

11.13 Confirmation of no default

Each Borrower will, within 2 Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by an officer of each Borrower and which:

- (a) states that no Event of Default or Potential Event of Default has occurred; or
- (b) states that no Event of Default or Potential Event of Default has occurred, except for a specified event or matter, of which all material details are given.

The Agent may serve requests under this Clause 11.13 (*Confirmation of no default*) from time to time; this Clause 11.13 (*Confirmation of no default*) does not affect the Borrowers' obligations under Clause 11.14 (*Notification of default*).

11.14 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of the occurrence of an Event of Default or a Potential Event of Default and will thereafter keep the Agent fully up-to-date with all developments.

11.15 Provision of further information

Each Borrower will, as soon as practicable after receiving a request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Insurances, the Earnings or the Corporate Guarantor;
- (b) to any other matter relevant to, or to any provision of, a Finance Document; or
- (c) any information requested in respect of that Borrower, the Corporate Guarantor, the Shareholder and the Designated Shareholder in connection with the Creditor Parties' and/or the Account Bank's "Know your customer" regulations, including, but not limited to information required pursuant to all applicable laws and regulations, including, without limitation, the laws of the European Union, France and the United States of America in connection with that Borrower, the Corporate Guarantor and any other Security Party and their respective beneficial owners, which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.16 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide 1 copy for each Creditor Party; if the Agent so requires in respect of any of those documents, that Borrower will provide a certified English translation prepared by a translator approved by the Agent.

11.17 “Know your customer” checks. If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (b) any change in the status of any Borrower or any Security Party after the date of this Agreement; or
- (c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (c), any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (c), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (c), any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.18 Sanctions

- (a) None of the Borrowers and the Security Parties will, directly or indirectly, use the proceeds of the loan hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or any other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Person or Sanctioned Country or (ii) use in repayment of any moneys due to the Finance Parties any earnings of the Ship paid directly or indirectly from any activities or business of or with any Person, or in any country, territory or port, that, at the time of such payment, is, a Sanctioned Person or Sanctioned Country, or (iii) in any other manner that would result in a violation of Sanctions by any Person (including the Borrowers, the Corporate Guarantor, the Approved Manager, the Collateral Providers, an Existing Charterer, a Collateral Charterer, a future charterer of a Ship or a Collateral Ship and any Person participating in the loan hereunder, whether as underwriter, advisor, investor, lender, hedge provider, facility or security agent or otherwise);
- (b) Without limiting paragraphs (a) and (b) of Clause 14.10 (*Compliance with laws etc.*), the Borrowers shall, and shall procure that the Collateral Providers, the Existing Charterers and the Collateral Charterers shall:
 - (i) comply with, and shall use reasonably endeavors to ensure compliance with, all Sanctions (including obtaining any applicable consents, authorizations or licenses) in respect of a Ship or a Collateral Ship;

- (ii) not cause or permit a Ship or a Collateral Ship to be registered in a Sanctioned Country or used by or for the benefit of a Sanctioned Person;
 - (iii) not cause or permit the Ship to be used in or otherwise to go to, stop in or call at, a Sanctioned Country;
 - (iv) not cause or permit a Ship or a Collateral Ship to be operated by a charterer or sub-charterer whose state of incorporation and/or principal place of business is a Sanctioned Country and/or is Sanctioned Person;
 - (v) ensure that each Existing Charter, each Collateral Charter or any other charterparty or sub-charterparty in respect of each Ship or each Collateral Ship shall contain, contractual language which has the effect of prohibiting the use of that Ship or that Collateral Ship in violation of any Sanctions; and
 - (vi) not cause or permit a Ship or a Collateral Charter to be used in any manner or business which is prohibited by applicable anti-corruption, anti-money laundering, countering the financing of terrorism, and export and import laws and regulations.
- (c) Each Borrower shall not, and shall procure that each Collateral Provider shall not, use, cause or permit a Ship or a Collateral Ship to be used in a way that would result in a violation of Sanctions by each Borrower, each Collateral Provider, each Existing Charterer, each Collateral Charterer, any future charterer of a Ship or a Collateral Ship or a Creditor Party.

11.19 Hedging of interest rate risks – Right of first refusal

The Borrowers hereby grant to the Lenders a right of first refusal for the purpose of hedging any part of the interest rate risk under this Agreement throughout the Security Period. In the event that the Borrowers decide to hedge their exposure under this Agreement, they shall enter into such documentation as may be required by the relevant Lender (in such capacity the “**Swap Bank**”) and the provisions of this Agreement will be amended to incorporate the amendments required, including, but not limited to, Clause 17 (*Application of Receipts*) reflecting *pari passu* sharing in the security and receipts between the Lenders and the Swap Bank.

11.20 Minimum Liquidity

- (a) Each Borrower shall maintain in its Earnings Account credit balances in an aggregate amount of not less than the Minimum Liquidity, commencing from the Drawdown Date and at all times thereafter throughout the Security Period.
- (b) In this Clause 11.20 (*Minimum Liquidity*):

“**Minimum Liquidity**” means:

- (a) from the Drawdown Date until 31 March 2022, \$500,000 per Ship subject to a Mortgage; and
- (b) at all times thereafter during the Security Period:
 - (i) if the Security Cover Ratio is less than 170 per cent., \$750,000 per Ship subject to a Mortgage; or

(ii) if the Security Cover Ratio is equal to or above 170 per cent., \$500,000 per Ship subject to a Mortgage.

11.21 No amendment to the Existing Charters and the Collateral Charters

- (a) No Borrower will agree to any material amendment (and for, the avoidance of doubt, “material” to mean any amendment which may detrimentally affect the interests of any Creditor Party) or supplement to, or waive or fail to enforce, any Existing Charter or any of its provisions.
- (b) The Borrowers shall procure that no Collateral Provider will agree to any material amendment (and for, the avoidance of doubt, “material” to mean any amendment which may detrimentally affect the interests of any Creditor Party) or supplement to, or waive or fail to enforce, that Collateral Charter or any of its provisions.

11.22 Use of websites

- (a) Each Borrower acknowledges and agrees that any information under this Agreement may be delivered to a Lender (through the Agent) on to an electronic website (a “**Website Lender**”) if:
 - (i) the Agent and the Lender agree;
 - (ii) the Agent appoints a website provider and designates an electronic website for this purpose (the “**Designated Website**”);
 - (iii) the Designated Website is used for communication between the Agent and the Lenders;
 - (iv) the Agent notifies the Lenders of the address for the website;
 - (v) the information can only be posted on the website by the Agent; and
 - (vi) the information posted is in a format agreed between each Borrower and the Agent.
- (b) The cost of the website shall be borne by each Borrower, subject to such cost being agreed by each Borrower beforehand.
- (c) Any Website Lender may request from any Borrower, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website and each Borrower shall at its own cost comply with any such request within ten Business Days.

12 CORPORATE UNDERTAKINGS

12.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 12 (*Corporate Undertakings*) at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit.

12.2 Maintenance of status

- (a) Each of Borrower A, Borrower C, Borrower D, Borrower E and Borrower F will maintain its separate corporate existence and remain in good standing under the laws of the Republic of the Marshall Islands.
- (b) Borrower B will maintain its separate corporate existence and remain in good standing under the laws of the Belgium.

12.3 Negative undertakings

No Borrower will:

- (a) carry on any business other than the ownership, chartering and operation of the Ship owned by it; or
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital if:
 - (i) an Event of Default has occurred at such time; or
 - (ii) an Event of Default would occur as a direct result of such distribution, redemption, purchase or return; or
- (c) provide any form of credit or financial assistance or issue guarantees in favour of any other corporation or individual other than in the normal course of its business **Provided that** that corporation or individual to whom any form of credit or financial assistance has been granted or in favour of whom the guarantee has been issued fully subordinates its rights to the rights of the Creditor Parties under the Finance Documents on terms acceptable to the Agent;
- (d) provide any form of credit or financial assistance to:
 - (i) a person who is directly or indirectly interested in that Borrower's share or loan capital; or
 - (ii) any company in or with which such a person is directly or indirectly interested or connected,or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or
- (e) open or maintain any account with any bank or financial institution except accounts with the Account Bank for the purposes of the Finance Documents and any accounts disclosed to the Agent on or prior to the date of this Agreement; or
- (f) issue, allot or grant any person a right to any shares in its capital or repurchase or reduce its issued share capital; or
- (g) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative other than for hedging of the Loan, save in relation to Borrower B in the ordinary course of business of chartering, operating and trading vessels; or

- (h) enter into any form of amalgamation, merger or de-merger or any form of reconstruction or reorganisation.

13 INSURANCE

13.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 13 (*Insurance*), from the Drawdown Date and throughout the term of the Security Period, except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it, at all times during the Security Period, insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks); and
- (b) war risks; and
- (c) protection and indemnity, meaning the usual risks including liability for oil pollution and excess war risk P&I cover; and
- (d) any other risks against which the Lenders consider, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Lenders be reasonable for that Borrower to insure and which are specified by the Security Trustee by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances:

- (a) in Dollars;
- (b) in the case of fire and usual marine risks and war risks, in such amounts as shall from time to time be approved by the Agent but in any event in an amount not less than the greater of (i) the Market Value of the Ship owned by it and (ii) an amount which, when aggregated with the amount for which the other Ships then subject to a Mortgage is insured, is equal to 120 per cent. of the Loan; and
- (c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry (with the international group of protection and indemnity clubs) and the international marine insurance market (currently \$1,000,000,000);
- (d) in relation to protection and indemnity risks in respect of the relevant Ship's full value and tonnage;
- (e) on such terms as shall from time to time be approved in writing by the Agent (including, without limitation, a blocking and trapping clause); and

- (f) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations which are members of the International Group of Protection and Indemnity Associations.

13.4 Further protections for the Creditor Parties

In addition to the terms set out in Clause 13.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances shall:

- (a) subject always to paragraph (b), name that Borrower as the sole named assured unless the interest of every other named assured is limited:
 - (i) in respect of any obligatory insurances for hull and machinery and war risks;
 - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
 - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
 - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;
- (b) name (or be amended to name) the Security Trustee as mortgagee for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) name the Security Trustee as sole loss payee with such directions for payment as the Security Trustee may specify;
- (d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (e) provide that the insurers shall waive, to the fullest extent permitted by English law, their entitlement (if any) (whether by statute, common law, equity, or otherwise) to be subrogated to the rights and remedies of the Security Trustee in respect of any rights or interests (secured or not) held by or available to the Security Trustee in respect of the Secured Liabilities, until the Secured Liabilities shall have been fully repaid and discharged, except that the insurers shall not be restricted by the terms of this paragraph (d) from making personal claims against persons (other than any Borrower or any Creditor Party) in circumstances where the insurers have fully discharged their liabilities and obligations under the relevant obligatory insurances;
- (f) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee;
- (g) provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and

- (h) provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Security Trustee, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall not be effective with respect to the Security Trustee for 30 days (or 7 days in the case of war risks) after receipt by the Security Trustee of prior written notice from the insurers of such cancellation, change or lapse.

13.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 14 days before the expiry of any obligatory insurance:
 - (i) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that insurance and of the proposed terms of renewal; and
 - (ii) in case of any substantial change in insurance cover, obtain the Lenders' approval to the matters referred to in paragraph (i) above;
- (b) at least 7 days before the expiry of any obligatory insurance, renew the insurance; and
- (c) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that all approved brokers provide the Security Trustee with copies of all policies relating to the obligatory insurances which they effect or renew and of a letter or letters or undertaking in a form required by the Lenders and including undertakings by the approved brokers that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4 (*Further protections for the Creditor Parties*);
- (b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;
- (c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;
- (d) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Borrower or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and
- (e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by it under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies or, any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Security Trustee.

13.7 Copies of certificates of entry

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by it is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship; and
- (b) a letter or letters of undertaking in such form as may be required by the Lenders; and
- (c) where required to be issued under the terms of insurance/indemnity provided by that Borrower's protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or other similar document or documents) made by that Borrower in relation to that Ship in accordance with the requirements of such protection and indemnity association; and
- (d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Restrictions on employment

No Borrower shall employ the Ship owned by it, nor permit her to be employed, outside the cover provided by any obligatory insurances.

13.12 Compliance with terms of insurances

No Borrower shall either do or omit to do (or permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable thereunder repayable in whole or in part; and in particular:

- (a) each Borrower shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in paragraph (c) of Clause 13.6 (*Copies of policies; letters of undertaking*) above) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;

- (b) no Borrower shall make any changes relating to the classification or the Classification Society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) each Borrower shall make all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and
- (d) no Borrower shall employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances (including but not limited to any applicable laws and Sanctions), without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.13 Alteration to terms of insurances

No Borrower shall make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance without the prior written consent of the Security Trustee.

13.14 Settlement of claims

No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

13.15 Provision of copies of communications

Each Borrower shall provide the Security Trustee, at the time of each such communication, copies of all written communications in case of, but not limited to, an Event of Default, Total Loss or Major Casualty between that Borrower and:

- (a) the approved brokers; and
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.16 Provision of information

In addition, each Borrower shall promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker appointed by the Agent as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
- (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.17 (*Mortgagee's interest and additional perils insurances*) below or dealing with or considering any matters relating to any such insurances,

and that Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a) above.

13.17 Mortgagee's interest and additional perils insurances

The Security Trustee shall effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest marine insurance in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document which directly or indirectly result from loss of or damage to a Ship or a liability of that Ship or of the Borrower owning that Ship, being a loss or damage which is prima facie covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of an allegation concerning:
 - (i) any act or omission on the part of that Borrower, of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
 - (ii) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of that Borrower, any other person referred to in paragraph (i) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or that Ship being unseaworthy; and/or
 - (iii) any other matter capable of being insured against under a mortgagee's interest marine insurance policy whether or not similar to the foregoing;
- (b) a mortgagee's interest additional perils policy in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Security Trustee against, among other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of a Ship, the imposition of any Security Interest over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy whether or not similar to the foregoing,

and the Borrowers shall upon demand fully indemnify the Security Trustee in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

13.18 Review of insurance requirements

The Lenders shall be entitled to review the requirements of this Clause 13 (*Insurance*) from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Lenders, significant and capable of affecting any Borrower or any Ship and its or their Insurances (including, without limitation, changes in the availability or the cost of Insurances or the risks to which the Borrower owning that Ship may be subject), and may appoint insurance consultants in relation to this review at the cost of the Borrowers, such review to be carried out at the Agent's request, at any time during the Security Period if the Agent (acting on the instructions of the Lenders) considers necessary (the reasonable fees of the insurance consultants to conduct such review shall be deducted from the Earnings Accounts (or any of them) and each Borrower hereby agrees to arrange the transfer of monies from its Earnings Account in order to pay such fees) **Provided that** the Borrowers shall not be required to pay the fees of the insurance consultants to conduct such review more often than once a year unless an Event of Default has occurred and is continuing, or unless a change in the terms of the cover of any Ship has occurred.

13.19 Modification of insurance requirements

The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.18 (*Review of insurance requirements*) to the requirements of this Clause 13 (*Insurance*) which the Lenders consider appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 (*Insurance*) and shall bind the Borrowers accordingly.

13.20 Compliance with mortgagee's instructions

The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the Borrower owning that Ship implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.19 (*Modification of insurance requirements*).

14 SHIP COVENANTS

14.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 14 (*Ship covenants*), at all times during the Security Period, except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit in writing.

14.2 Ship's name and registration

Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag; shall not do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not change the name or port of registry of that Ship, without the prior written consent of the Agent (acting with the authorisation of the Lenders), which shall not be unreasonably withheld, and shall remain acceptable to the Agent (acting with the authorisation of the Lenders) at all times.

14.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good, safe and seaworthy condition and state of repair:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class with a Classification Society which is a member of IACS acceptable to the Agent (acting with the authorisation of the Lenders) free of overdue recommendations and conditions of such Classification Society;
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports of the Approved Flag State or to vessels trading to any jurisdiction to which such Ship may trade from time to time, including but not limited to the ISM Code and the ISM Code Documentation and the ISPS Code; and
- (d) each Borrower shall use its commercially reasonable efforts to allow the Agent (or its agents), at any time, to inspect the original class and related records of that Borrower and the Ship owned by it electronically (through the Classification Society directly) and to take copies of such records.

14.4 Modification

No Borrower shall make any modification or repairs to, or replacement of, the Ship or equipment installed on the Ship owned by it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.5 Removal of parts

No Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on, that Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on the relevant Ship the property of that Borrower and subject to the security constituted by the relevant Mortgage **Provided that** each Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to its Ship.

14.6 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Lenders provide the Security Trustee, with copies of all survey reports.

14.7 Technical Survey

Without prejudice to each Borrower's obligations pursuant to Clause 14.6 (*Surveys*), each Borrower promptly following the request of the Agent will, submit the Ship for a technical survey by an independent surveyor or surveyors appointed by the Agent (provided such technical survey does not interfere with the ordinary trading of the Ship owned by it). All fees and expenses incurred in relation to the appointment of the surveyor or surveyors and the preparation and issue of all technical reports pursuant to this Clause 14.7 (*Technical Survey*) shall be for the account of the Borrowers.

14.8 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all times (but in any event without interfering with the ordinary trading of the Ship owned by it) to inspect its condition or to satisfy themselves about proposed or executed repairs, shall afford all proper facilities for such inspections and pay to the Agent the amount of all fees, costs and expenses incurred in respect of such inspections **Provided that** so long as no Event of Default shall have occurred that Borrower shall not be obliged to pay any fees and expenses in respect of more than one inspection of its Ship in any calendar year.

14.9 Prevention of and release from arrest

Each Borrower shall promptly discharge:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Ship owned by it, the Earnings or the Insurances;
 - (b) all taxes, dues and other amounts charged in respect of the Ship owned by it, the Earnings or the Insurances; and
 - (c) all other outgoings whatsoever in respect of the Ship owned by it, the Earnings or the Insurances,
- and, forthwith upon receiving notice of the arrest of that Ship, or of her detention in exercise or purported exercise of any lien or claim, that Borrower shall procure her release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with the ISM Code (including, for the avoidance of doubt, by the Approved Manager), all Environmental Laws, the ISPS Code, Sanctions and all other laws or regulations relating to the Ship owned by it, its ownership, operation and management or to the business of that Borrower;
- (b) not employ the Ship owned by it, nor allow its employment in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code and the ISPS Code and Sanctions; and
- (c) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit it to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers unless the prior written consent of the Lenders has been given and that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Lenders may require.

14.11 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which the Lenders request regarding:

- (a) the Ship owned by it, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to that Ship's master and crew of that Ship;
- (c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made in respect of that Ship;
- (d) any towages and salvages;
- (e) any intended dry-docking of that Ship;
- (f) that Borrower's, the Approved Manager's compliance or the compliance of that Ship with the ISM Code and the ISPS Code; and
- (g) any other information which the Creditor Parties (or any of them) may reasonably request,

and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, and copies of that Borrower's or the Approved Manager's Document of Compliance or any other document issued under ISM Code Documentation.

14.12 Notification of certain events

Each Borrower shall immediately notify the Security Trustee by letter of:

- (a) any casualty which is or is likely to be or to become a Major Casualty;
- (b) any occurrence as a result of which the Ship owned by it has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (c) any requirement or recommendation made by any insurer or Classification Society or by any competent authority which is not complied with in accordance with its terms;
- (d) any arrest or detention of the Ship owned by it, any exercise or purported exercise of any lien on the Ship or its Earnings or any requisition of such Ship for hire;
- (e) any dry docking of the Ship owned by it;
- (f) any Environmental Claim made against that Borrower or in connection with the Ship owned by it, or any Environmental Incident;
- (g) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, the Approved Manager or otherwise in connection with the Ship owned by it; or
- (h) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and that Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of that Borrower's, the Approved Manager's or any other person's response to any of those events or matters.

14.13 Restrictions on chartering, appointment of managers etc.

No Borrower shall, in relation to the Ship owned by it:

- (a) let that Ship on demise charter for any period;
- (b) enter into any time or consecutive voyage charter in respect of that Ship for a term which exceeds, or which by virtue of any optional extensions may exceed, 12 months except as the Agent may consent, such consent not to be unreasonably withheld;
- (c) enter into any charter in relation to that Ship under which more than 2 months' hire (or the equivalent) is payable in advance;
- (d) charter that Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;
- (e) appoint a manager of that Ship other than the Approved Manager or agree to any material alteration to the terms of the Approved Manager's appointment which could lead to an Event of Default ("material alterations" to include, without limitation, alterations concerning fees, duration and parties);
- (f) de-activate or lay up that Ship; or
- (g) put that Ship into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless that person has first given to the Security Trustee and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or her Earnings for the cost of such work or otherwise.

14.14 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against its Ship as a valid first priority or as the case may be preferred mortgage, carry on board that Ship a certified copy of that Mortgage and place and maintain in a conspicuous place in the navigation room and the Master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Trustee.

14.15 Sharing of Earnings

No Borrower shall:

- (a) enter into any agreement or arrangement for the sharing of any Earnings;
- (b) enter into any agreement or arrangement for the postponement of any date on which any Earnings are due; or for the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of that Borrower to any Earnings; or
- (c) enter into any agreement or arrangement for the release of, or adverse alteration to, any guarantee or Security Interest relating to any Earnings other than customary profit sharing arrangements in time charter contracts.

14.16 Time Charter Assignment

If a Borrower enters into any Charterparty of a duration exceeding or capable of exceeding 12 months, that Borrower shall, at the request of the Agent, execute in favour of the Security Trustee a Charterparty Assignment, and shall deliver to the Agent such other documents equivalent to those referred to at paragraphs 3, 4 and 5 of Part A and 7 of Part B of Schedule 3 (*Condition Precedent Documents*) hereof as the Agent may require.

14.17 ISM Code, ISPS Code compliance and Environmental Laws

All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to each Borrower, the Approved Manager, the Ship owned by the relevant Borrower shall be complied with at all times.

14.18 Poseidon Principles

Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31st July in each calendar year, supply or procure the supply by the relevant Approved Classification Society (as specified by the relevant Lender) to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be “Confidential Information” for the purposes of Clause 30.1 (*Confidential Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.

15 SECURITY COVER

15.1 Minimum required security cover

Clause 15.2 (*Provision of additional security; prepayment*) applies if the Agent notifies the Borrowers that the Security Cover Ratio is below 125 per cent, and Security Cover Ratio shall be tested as at 30 June and 31 December each year.

15.2 Provision of additional security; prepayment

If the Agent serves a notice on the Borrowers under Clause 15.1 (*Minimum required security cover*), the Borrowers shall prepay such part (at least) of the Loan as will eliminate the shortfall on or before the date falling 1 month after the date on which the Agent’s notice is served under Clause 15.1 (*Minimum required security cover*) (the “**Prepayment Date**”) unless at least 1 Business Day before the Prepayment Date it has provided, or ensured that a third party has provided, additional security which, in the reasonable opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall.

In this Clause 15.2 (*Provision of additional security; prepayment*) “**security**” means a Security Interest over an asset or assets (whether securing a Borrower’s liabilities under the Finance Documents or a guarantee in respect of those liabilities), or a guarantee, letter of credit or other security (including any cash pledged to the Security Trustee) in respect of that Borrower’s liabilities under the Finance Documents.

15.3 Requirement for additional documents

The Borrowers shall not be deemed to have complied with Clause 15.2 (*Provision of additional security; prepayment*) above until the Agent has received in connection with the additional security certified copies of documents of the kinds referred to in paragraphs 3, 4 and 5 of Schedule 3 (*Condition Precedent Documents*), Part A and such legal opinions in terms acceptable to the Majority Lenders from such lawyers as they may select.

15.4 Valuation of Ship

For the purpose of the Security Cover Ratio determination under Clause 15.1 (*Minimum required security cover*), the market value of a Ship shall be provided:

- (a) as at a date not more than 30 days previously;
- (b) by an Approved Broker selected by the Borrowers and appointed by the Agent (unless the Borrowers have not nominated an Approved Broker within 5 Business Days of the Agent's request in which case the Agent will be entitled to select and appoint an Approved Broker);
- (c) with or without physical inspection of that Ship (as the Agent may require); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment (as the Agent may require).

15.5 Value of additional security

The net realisable value of any additional security which is provided under Clause 15.1 (*Minimum required security cover*) and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.4 (*Valuation of Ship*).

15.6 Valuations binding

Any valuation under Clause 15.2 (*Provision of additional security; prepayment*), 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of a security which does not consist of or include a Security Interest.

15.7 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) with any information which the Agent or the Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which the Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.8 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.5 (*Costs of variations, amendments, enforcement etc.*) and 20.6 (*Documentary taxes*), the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker or expert instructed by the Agent under this Clause and all legal and other expenses incurred by any Creditor Party in connection with any matter arising out of this Clause **Provided that** so long as no Event of Default shall have occurred and is continuing and so long as all valuations of each Ship commissioned by the Agent for the purposes of this Clause 15 (*Security Cover*) confirm that the Borrowers have satisfied the test in Clause 15.1 (*Minimum required security cover*), no Borrower shall be obliged to pay the fees and expenses in respect of more than two valuations (excluding valuations provided to determine the Initial Market Value).

15.9 Frequency of valuations

The Borrowers acknowledge and agree that the Agent may commission valuation(s) of any Ship at such times as the Agent may reasonably request (including, without limitation, on the occurrence of any breach of obligation under this Agreement, any Finance Document or any other relevant documentation in connection therewith) and, in any event not less than twice in any calendar year.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made:

- (a) by the Lenders to the Agent; or
- (b) by any Borrower to the Arranger, the Bookrunner, the Mandated Lead Arrangers, the Agent, the Security Trustee or any Lender, under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:
 - (i) by not later than 11.00 a.m. (New York City time) on the due date;
 - (ii) in same day Dollar funds settled through the New York Clearing House Interbank Payments System (or in such other Dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);
 - (iii) to the account of the Agent, as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
 - (iv) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by any Borrower under a Finance Document would otherwise fall due on a day which is not a Business Day:

- (a) the due date shall be extended to the next succeeding Business Day; or
 - (b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day,
- and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 Basis for calculation of periodic payments

All interest and any other payments under any Finance Document which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

16.4 Distribution of payments to Creditor Parties

Subject to Clauses 16.5 (*Permitted deductions by Agent*), 16.6 (*Agent only obliged to pay when monies received*) and 16.7 (*Refund to Agent of monies not received*):

- (a) any amount received by the Agent under a Finance Document for distribution or remittance to a Lender or the Security Trustee shall be made available by the Agent to that Lender or, as the case may be, the Security Trustee by payment, with funds having the same value as the funds received, to such account as the Lender or the Security Trustee may have notified to the Agent not less than 5 Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to the Borrowers or any Lender any sum which the Agent is expecting to receive for remittance or distribution to the Borrowers or that Lender until the Agent has satisfied itself that it has received that sum.

16.7 Refund to Agent of monies not received

If and to the extent that the Agent makes available a sum to the Borrowers or a Lender, without first having received that sum, the Borrowers or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and

- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 (*Refund to Agent of monies not received*) shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.10 Agent's memorandum account

The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to the Agent, the Security Trustee and each Lender from the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.11 Accounts prima facie evidence

If any accounts maintained under Clauses 16.9 (*Creditor Party accounts*) and 16.10 (*Agent's memorandum account*) show an amount to be owing by a Borrower or a Security Party to a Creditor Party, those accounts shall be prima facie evidence that that amount is owing to that Creditor Party.

17 APPLICATION OF RECEIPTS

17.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following proportions:
 - (i) first, in or towards satisfaction pro rata of all amounts then due and payable to the Creditor Parties under the Finance Documents other than those amounts referred to at (ii) and (iii) below (including, but without limitation, all amounts payable by any Borrower under Clauses 20 (*Fees and Expenses*), 21 (*Indemnities*) and 22 (*No Set-off or Tax Deduction*) of this Agreement or by any Borrower or any Security Party under any corresponding or similar provision in any other Finance Document);
 - (ii) secondly, in or towards satisfaction *pro rata* of any and all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction of the Loan;

- (b) SECONDLY: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Agent, by notice to the Borrowers (or any of them), the Security Parties and the other Creditor Parties, states in its opinion will or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the foregoing provisions of paragraph (a) of Clause 17.1 (*Normal order of application*);
- (c) THIRDLY: in or towards satisfaction of any amounts representing insurance costs or premiums then due and payable by the Borrowers (or any of them) in connection with the Ships and/or the Lenders;
- (d) FOURTHLY: in or towards satisfaction of any amounts representing management fees then due and payable by the Borrowers (or any of them) to the Approved Manager in connection with the Ships; and
- (e) FIFTHLY: any surplus shall be paid to the Borrowers (or any of them) or to any other person appearing to be entitled to it.

17.2 Variation of order of application

The Agent may, with the authorisation of the Majority Lenders by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 17.1 (*Normal order of application*) either as regards a specified sum or sums or as regards sums in a specified category or categories.

17.3 Notice of variation of order of application

The Agent may give notices under Clause 17.2 (*Variation of order of application*) from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

17.4 Appropriation rights overridden

This Clause 17 and any notice which the Agent gives under Clause 17.2 (*Variation of order of application*) shall override any right of appropriation possessed, and any appropriation made, by any Borrower or any Security Party.

18 APPLICATION OF EARNINGS

18.1 Payment of Earnings

The Borrowers shall, and shall procure that each Collateral shall, undertake with each Creditor Party that, throughout the Security Period (subject only to the provisions of the General Assignment to which it is party):

- (a) it shall maintain the Accounts opened in its name (whether individually or jointly) with the Account Bank;
- (b) it shall ensure that all Earnings of the Ship owned by it and each Collateral Ship it are paid to the Earnings Account for that Ship or that Collateral Ship, as the case may be; and

- (c) the Minimum Liquidity amounts required to be maintained pursuant to Clause 11.20 (*Minimum Liquidity*) shall be maintained in the relevant Earnings Account of the Ships.

18.2 Monthly retentions

The Borrowers undertake with each Creditor Party to ensure that, on and from the date falling one month after the Drawdown Date and at monthly intervals thereafter during the Security Period, there are transferred to the Retention Account out of the Earnings received in the Earnings Accounts during the preceding month:

- (a) one-third of the amount of the relevant Repayment Instalment falling due under Clause 8.1 (*Amount of repayment instalments*) on the next Repayment Date; and
- (b) the relevant fraction of the aggregate amount of interest on the Loan which is payable on the next due date for payment of interest under this Agreement,

and the Borrowers irrevocably authorise the Agent to make those transfers if the Borrowers fail to do so.

The “**relevant fraction**”, in relation to paragraph (b), is a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period (or if the current Interest Period in respect of the Loan ends after the next due date for payment of interest under this Agreement, the number of months from the later of the commencement of the current Interest Period in respect of the Loan or the last due date for payment of interest to the next due date for payment of interest in respect of the Loan under this Agreement).

18.3 Shortfall in Earnings

If the aggregate Earnings received in the Earnings Account are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 18.2 (*Monthly retentions*), the Borrowers shall immediately pay the amount of the insufficiency into the Retention Account.

18.4 Application of retentions

Until an Event of Default or a Potential Event of Default occurs, the Agent shall, to the extent there are sufficient funds standing to the credit of the Retention Account, on each Repayment Date and on each due date for the payment of interest under this Agreement distribute to the Lenders in accordance with Clause 16.4 (*Distribution of payments to Creditor Parties*) so much of the then balance on the Retention Account as equals:

- (a) the Repayment Instalment due on that Repayment Date pursuant to Clause 8.1 (*Amount of repayment instalments*); or
- (b) the amount of interest in respect of the Loan payable on that interest payment date, in discharge of the Borrowers’ liability for that Repayment Instalment or that interest.

18.5 Application of Earnings

Each Borrower and the Collateral Provider undertakes with the Lenders that money from time to time credited to, or for the time being standing to the credit of, the Earnings Accounts shall (i) unless and until an Event of Default shall have occurred (whereupon the provisions of Clause 17.1 (*Normal order of application*) shall be and become applicable) or (ii) unless otherwise agreed in writing between the Borrowers and the Agent, be available for application in the following manner:

- (a) in or towards making payments of all amounts due and payable by the Borrowers under this Agreement (other than payments of principal and interest);
- (b) in or towards satisfaction of all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents;
- (c) in or towards satisfaction of the Loan;
- (d) in or towards making payments of all fees due to the Approved Manager and thereafter meeting the costs and expenses from time to time incurred by or on behalf of a Borrower in connection with the operation of the Ship owned by it; and
- (e) as to any surplus from time to time arising on an Earnings Account following application as aforesaid, to be paid to the Borrower owning that Ship or to whomsoever it may direct.

18.6 Location of account

Each Borrower shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of its Earnings Account; and
- (b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over (and/or rights of set-off, consolidation or other rights in relation to) the Accounts.

18.7 Debits for expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit the Earnings Accounts without prior notice in order to discharge any amount due and payable under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*) to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*).

18.8 Borrowers' obligations unaffected

The provisions of this Clause 18 (*Application of Earnings*) (as distinct from a distribution effected under Clause 18.4 (*Application of retentions*)) do not affect:

- (a) the liability of the Borrowers to make payments of principal and interest on the due dates; or
- (b) any other liability or obligation of the Borrowers or any Security Party under any Finance Document.

18.9 Restriction on withdrawal

During the Security Period no sum may be withdrawn by a Borrower from the Retention Account.

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) the Borrowers or any of them or any Security Party fails to pay when due or (if so payable) on demand any sum payable under a Finance Document or under any document relating to a Finance Document; or
- (b) any breach occurs of Clause 9.2 (*Waiver of conditions precedent*), 10.15 (*No money laundering; anti-bribery*), 10.18 (*Sanctions*), 11.2 (*Title and negative pledge*), 11.3 (*No disposal of assets*), 11.18 (*Sanctions*), 11.20 (*Minimum Liquidity*), 12.2 (*Maintenance of status*), 12.3 (*Negative undertakings*), 13.2 (*Maintenance of obligatory insurances*), 13.3 (*Terms of obligatory insurances*), 14.2 (*Ship's name and registration*) or 15.2 (*Provision of additional security; prepayment*) or clause 12.3 (*negative undertakings*) of the Corporate Guarantee; or
- (c) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b) above) if, in the opinion of the Majority Lenders, such default is capable of remedy, and such default continues unremedied 14 days after the earlier of (i) written notice from the Agent requesting action to remedy the same and (ii) any Borrower becoming aware of such breach; or
- (d) (subject to any applicable grace period specified in the Finance Document) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a), (b) or (c) above); or
- (e) any representation, warranty or statement made or repeated by, or by an officer of, any Borrower or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person (for an amount exceeding, in the case of any Relevant Person other than a Borrower \$10,000,000 (or the equivalent in any other currency) in aggregate):
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due or, if so payable, on demand; or
 - (ii) any Financial Indebtedness of a Relevant Person becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default unless the Relevant Person is contesting the declaration of an event of default or of the Financial Indebtedness becoming due and payable in good faith and on substantial grounds by appropriate proceedings and adequate reserves have been set aside for its payment if such proceedings fail; or
 - (iii) a lease, hire purchase agreement or charter creating any Financial Indebtedness of a Relevant Person is terminated by the lessor or owner or becomes capable of being terminated as a consequence of any termination event; or
 - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or

- (v) any Security Interest securing any Financial Indebtedness of a Relevant Person becomes enforceable; or
- (g) any of the following occurs in relation to a Relevant Person:
 - (i) a Relevant Person becomes, in the reasonable opinion of the Lenders, unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress in respect of a sum of, or sums aggregating, \$10,000,000 or more or the equivalent in another currency and such execution, attachment, arrest, sequestration or distress is not withdrawn or discharged within thirty (30) days; or
 - (iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or
 - (iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or
 - (v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors or officers of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or
 - (vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or
 - (vii) a resolution is passed, an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (aa) a Relevant Person, (bb) the members, shareholders, officers or directors of a Relevant Person, (cc) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (dd) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than a Borrower or the Corporate Guarantor which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Majority Lenders and effected not later than 3 months after the commencement of the winding up; or
 - (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant

Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administration is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 60 days of being made or presented, or (bb) within 60 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there will be no administration and (in both cases (aa) or (bb)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or

- (ix) a Relevant Person or its directors or officers take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt) or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or
 - (x) any meeting of the members, shareholders or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, shareholders, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
 - (xi) in a country other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the reasonable opinion of the Majority Lenders is similar to any of the foregoing; or
- (h) any Borrower or any Security Party ceases or suspends carrying on its business or a part of its business which, in the reasonable opinion of the Majority Lenders, is material in the context of this Agreement **Provided that** no Event of Default will occur under this paragraph (h) if the Security Party is an Approved Manager and the Borrowers replace such Approved Manager by another Approved Manager within 30 days from the date of such event; or
- (i) it becomes unlawful in any Pertinent Jurisdiction or impossible:
- (i) for any Borrower or any Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or
 - (ii) for the Agent, the Security Trustee or the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or
- (j) any official consent necessary to enable any Borrower to own, operate or charter the Ship owned by it or to enable any Borrower or any Security Party to comply with any provision which the Majority Lenders reasonably consider material of a Finance Document is not granted, expires without being renewed, is revoked or becomes liable to revocation or any

condition of such a consent is not fulfilled, unless the relevant Borrower contests any denial, expiration or revocation (other than with respect to a Finance Documents) and on the condition that, in the reasonable opinion of the Majority Lenders (i) there are real prospects of such contest being successfully granted/upheld by the relevant Borrower (ii) such contest being made in good faith; or

- (k) it appears to the Majority Lenders that, without their prior written consent:
- (i) a change has occurred or probably has occurred after the date of this Agreement in the legal or direct beneficial ownership of any of the shares in any Borrower or the Shareholder in the voting rights attaching to any of those shares; or
 - (ii) any Borrower ceases to be a wholly owned indirect subsidiary of the Corporate Guarantor; or
 - (iii) the Designated Shareholders own, in aggregate, less than 10 per cent. of the issued and outstanding voting shares in the Corporate Guarantor; or
 - (iv) the shares of the Corporate Guarantor cease to be listed on the New York Stock Exchange (NYSE) or any other US or European stock exchange acceptable to the Agent; or
 - (v) Mrs Angeliki Frangou ceases to be the Chairman or the Chief Executive Officer of the Corporate Guarantor; or
- (l) any provision which the Majority Lenders consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim or interest; or
- (m) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (n) any other event occurs or any other circumstances arise or develop including, without limitation:
- (i) a material adverse change in the business, condition (financial or otherwise), operation, state of affairs or prospects of any Borrower, the Corporate Guarantor or the Group; or
 - (ii) any accident or other event involving any Ship or another vessel owned, chartered or operated by a Relevant Person,
- in the light of which the Majority Lenders reasonably consider that there is a significant risk that any Security Party is, or will later become, unable to discharge its liabilities under the Finance Documents as they fall due or the enforceability of any Finance Document may be adversely affected.
- (o) **Existing Charters and Collateral Charters**
- (i) Any Existing Charter or any Collateral Charter is frustrated (except as a result of a Total Loss of the relevant Ship or the relevant Collateral Ship), terminated (except by mere effluxion of time), cancelled or rescinded or purported to be cancelled or rescinded or the relevant Ship or the relevant Collateral Ship is withdrawn from service under that Existing Charter or that Collateral Charter, respectively prior to its termination by effluxion of time.

- (ii) No Event of Default will occur under sub-paragraph (i) of this paragraph (o) of Clause 19.1 (*Events of Default*) if, as soon as possible, but in any event not later than 60 days after such frustration, termination, cancellation or rescission the Borrower owning the relevant Ship, the Collateral Provider being the disponent owner of the relevant Collateral Ship:
 - (A) has entered into a new charter (a “**Replacement Charter**”) in respect of that ship with a duration which is approximately the same as the remaining duration of such Existing Charter or such Collateral Charter on terms otherwise acceptable to the Agent (acting on the instructions of the Majority Lenders at their sole discretion), which shall not be unreasonably withheld or delayed;
 - (B) has delivered to the Agent copies of such Replacement Charter or sufficient evidence that such Replacement Charter has been agreed and, if applicable, any related charter guarantee duly executed by the parties thereto and of each document to be delivered pursuant to each of them; and
 - (C) has complied with its obligations pursuant to Clause 14.16 (*Time Charter Assignment*) in relation to such Replacement Charter (as if same was by definition a Charterparty) and, if applicable, any related charter guarantee.

(p) **Repayment of Subordinated Loan Agreement**

Any payment of principal or interest under the Subordinated Loan Agreement prior to the Final Maturity Date (other than in accordance with the Subordination Agreement).

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default, which is continuing:

- (a) the Agent may, and if so instructed by the Majority Lenders, the Agent shall:
 - (i) serve on the Borrowers a notice stating that all or part of the Commitments and all other obligations of each Lender to the Borrowers under this Agreement are terminated; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan, all accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) above, the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) of paragraph (a) above, the Security Trustee, the Agent and/or the Majority Lenders are entitled to take under any Finance Document or any applicable law.

19.3 Termination of Commitments

On the service of a notice under sub-paragraph (i) of paragraph (a) Clause 19.2 (*Actions following an Event of Default*), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall terminate.

19.4 Acceleration of Loan

On the service of a notice under sub-paragraph (ii) of paragraph (a) Clause 19.2 (*Actions following an Event of Default*), the Loan, all accrued interest and all other amounts accrued or owing from the Borrowers or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice

The Agent may serve notices under sub-paragraph (i) or (ii) of paragraph (a) Clause 19.2 (*Actions following an Event of Default*) simultaneously or on different dates and it and/or the Security Trustee may take any action referred to in that Clause if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each Lender, the Security Trustee and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2 (*Actions following an Event of Default*); but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide the Borrowers or any Security Party with any form of claim or defence.

19.7 Creditor Party's rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1 (*Interests of Lenders several*).

19.8 Exclusion of Creditor Party Liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to the Borrowers or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or
- (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been caused by the gross negligence or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19 (*Events of Default*), a “**Relevant Person**” means a Borrower, a Security Party (excluding the Approved Manager), and any company which is a subsidiary of any Borrower or of a Security Party (excluding the Approved Manager) or of which any Borrower is a subsidiary.

19.10 Interpretation

In paragraph (f) of Clause 19 (*Events of Default*) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in paragraph (f) of Clause 19 (*Events of Default*) “**petition**” includes an application.

20 FEES AND EXPENSES

20.1 Up-front fee

The Borrowers shall pay the up-front fee in accordance with the relevant Fee Letter.

20.2 Commitment fee

The Borrowers shall pay the commitment fee in accordance with the relevant Fee Letter.

20.3 Agency fee

The Borrowers shall pay the agency fee in accordance with the relevant Fee Letter.

20.4 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent, within ten Business Days’ from its demand, the amount of all expenses incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document (including, without limitation, out of pocket expenses, legal fees and any related VAT).

20.5 Costs of variations, amendments, enforcement etc.

The Borrowers shall pay to the Agent, within ten Business Days’ from its demand, the amount of all documented expenses incurred by a Creditor Party in connection with:

- (a) any amendment or supplement to a Finance Document, or any proposal for such an amendment to be made, including, but not limited to, any amendment or supplement (or any proposal for such an amendment or supplement) contemplated in Clause 27.4 (*Replacement of Screen Rate*);
- (b) any consent or waiver by the Lenders, the Majority Lenders or the Creditor Party concerned under or in connection with a Finance Document, or any request for such a consent or waiver;
- (c) the valuation of any security provided or offered under Clause 15 or any other matter relating to such security;

- (d) where the Agent, in its absolute opinion, considers that there has been a material change to the insurances in respect of a Ship, the review of the insurances of a Ship pursuant to Clause 13.18 (*Review of insurance requirements*);
- (e) the opinions of the independent insurance consultant referred to in paragraph 7 of Part B, Schedule 3 (*Condition Precedent Documents*); and
- (f) any step taken by any Lender concerned with a view to the protection, exercise or enforcement of any right or Security Interest created by a Finance Document or for any similar purpose.

There shall be recoverable under paragraph (d) the full amount of all legal expenses, whether or not such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.6 Documentary taxes

The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any liabilities, claims losses and expenses resulting from any failure or delay by the Borrowers to pay such a tax.

20.7 Certification of amounts

A notice which is signed by two officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 (*Fees and Expenses*) and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 Indemnities regarding borrowing and repayment of Loan

The Borrowers shall fully indemnify the Agent and each Lender on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

- (a) the Advance not being borrowed on the date specified in the Drawdown Notice for any reason other than a default by the Lender claiming the indemnity;
- (b) the receipt or recovery of all or any part of the Loan or an overdue sum otherwise than on the last day of an Interest Period or other relevant period including, without limitation, where such receipt or recovery is made as a result of the voluntary or mandatory repayment or prepayment of the Loan, or any part thereof;
- (c) any failure (for whatever reason) by the Borrowers to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by the Borrowers on the amount concerned under Clause 7 (*Default Interest*)); and

- (d) the occurrence and/or continuance of an Event of Default and/or the acceleration of repayment of the Loan under Clause 19 (*Events of Default*), and in respect of any tax (other than tax on its overall net income or a FATCA Deduction) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Breakage costs

Without limiting its generality, Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) covers any liability, expense or loss, including a loss of a prospective profit, incurred by a Lender:

- (a) in liquidating or employing deposits from third parties acquired or arranged to fund or maintain all or any part of its Contribution and/or any overdue amount (or an aggregate amount which includes its Contribution or any overdue amount); and
- (b) in terminating, or otherwise in connection with, any interest and/or currency swap or any other transaction entered into (whether with another legal entity or with another office or department of the Lender concerned) to hedge any exposure arising under this Agreement or that part which the Lender concerned determines is fairly attributable to this Agreement of the amount of the liabilities, expenses or losses (including losses of prospective profits) incurred by it in terminating, or otherwise in connection with, a number of transactions of which this Agreement is one.

21.3 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands in respect of all claims, demands, proceedings, liabilities, taxes, losses and expenses of every kind (“**liability items**”) which may be made or brought against, or incurred by, a Creditor Party, in any country, in relation to:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document; and
- (b) any other event, matter or question which occurs or arises at any time during the Security Period and which has any connection with, or any bearing on, any Finance Document, any payment or other transaction relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created (or intended to be created) by a Finance Document,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.4 Extension of indemnities; environmental indemnity

Without prejudice to its generality, Clause 21.3 (*Miscellaneous indemnities*) covers:

- (a) any matter which would be covered by Clause 21.3 (*Miscellaneous indemnities*) if any of the references in that Clause to a Lender were a reference to the Agent or (as the case may be) to the Security Trustee; and

- (b) any liability items which arise, or are asserted, under or in connection with any law relating to safety at sea, pollution or the protection of the environment, the ISM Code, the ISPS Code or any Environmental Law.

21.5 Currency indemnity

If any sum due from a Borrower or any Security Party to a Creditor Party under a Finance Document or under any order or judgment relating to a Finance Document has to be converted from the currency in which the Finance Document provided for the sum to be paid (the “**Contractual Currency**”) into another currency (the “**Payment Currency**”) for the purpose of:

- (a) making or lodging any claim or proof against a Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or
- (b) obtaining an order or judgment from any court or other tribunal; or
- (c) enforcing any such order or judgment,

the Borrowers shall indemnify the Creditor Party concerned against the loss arising when the amount of the payment actually received by that Creditor Party is converted at the available rate of exchange into the Contractual Currency.

In this Clause 21.5 (*Currency indemnity*), the “**available rate of exchange**” means the rate at which the Creditor Party concerned is able at the opening of business (London time) on the Business Day after it receives the sum concerned to purchase the Contractual Currency with the Payment Currency.

This Clause 21.5 (*Currency indemnity*) creates a separate liability of each Borrower which is distinct from its other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.6 Certification of amounts

A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 (*Indemnities*) and which indicates (without necessarily specifying a detailed breakdown of the amounts due) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21.7 Sums deemed due to a Lender

For the purposes of this Clause 21 (*Indemnities*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

21.8 Sanctions

- (a) The Borrowers shall, within three (3) Business Days of demand by a Creditor Party, indemnify each Creditor Party against any cost, loss or liability incurred by it as a result of any civil penalty or fine against, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred in connection with the defence thereof by, the Agent or any Lender as a result of conduct of the Borrowers or any Security Party or any of their partners, directors, officers, employees, agents or advisors, that violates any Sanctions.

- (b) The indemnity in paragraph (a) of Clause 21.8 (*Sanctions*) above shall cover any losses incurred by each Creditor Party in any jurisdiction arising or asserted under or in connection with any law relating to any Sanctions.

22 NO SET-OFF OR TAX DEDUCTION

22.1 No deductions

All amounts due from the Borrowers under a Finance Document shall be paid:

- (a) without any form of set-off, cross-claim or condition; and
- (b) free and clear of any tax deduction except a tax deduction which a Borrower is required by law to make.

22.2 Grossing-up for taxes

If a Borrower is required by law to make a tax deduction from any payment:

- (a) that Borrower shall notify the Agent as soon as it becomes aware of the requirement;
- (b) that Borrower shall pay the tax deducted to the appropriate taxation authority promptly, and in any event before any fine or penalty arises; and
- (c) the amount due in respect of the payment shall be increased by the amount necessary to ensure that each Creditor Party receives and retains (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which it would otherwise have received.

22.3 Evidence of payment of taxes

Within 1 month after making any tax deduction, the Borrower concerned shall deliver to the Agent documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 Exclusion of tax on overall net income

In this Clause 22 (*No Set-off or Tax Deduction*) “**tax deduction**” means any deduction or withholding for or on account of any present or future tax except tax on a Creditor Party’s overall net income or a FATCA Deduction.

22.5 FATCA information

- (a) Subject to paragraph (c) below, each party to the Finance Documents shall, within 5 Business Days of a reasonable request by another party to the Finance Documents:
 - (i) confirm to that other party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and

- (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other party's compliance with FATCA; and
 - (iii) supply to that other party such forms, documentation and other information relating to its status as that other party reasonably requests for the purposes of that other party's compliance with any other law, regulation or exchange of information regime;
- (b) if a party to any Finance Document confirms to another party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly;
- (c) paragraph (a) above shall not oblige any Creditor Party, and sub-paragraph (iii) of paragraph (a) above shall not oblige any other party to a Finance Document, to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality;
- (d) if a party to any Finance Document fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraph (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party until such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, it shall as soon as reasonably practicable inform the Agent of the same;
- (f) Where the Agent reasonably believes that its obligations under FATCA require it, the relevant Borrower or the relevant Security Party shall provide the Agent, upon request, with a W-8 BEN-E form (or any successor form) or any other forms or documentation the Agent may reasonably require, as soon as reasonably practicable. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (f);
- (g) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, or where the Agent reasonably believes that its obligations under FATCA require it, each Creditor Party shall, within 10 Business Days of the date of a request from the Agent supply to the Agent:
- (i) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); and/or
 - (ii) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Creditor Party under FATCA,

the Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Creditor Party pursuant to this paragraph (g) to that Borrower or the relevant Security Party and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (g); and

- (h) The Borrowers, each Security Party and each Creditor Party agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Agent pursuant to paragraphs (f) to (g) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Agent in writing of its legal inability to do so. The Agent shall, if applicable, provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Borrowers or the relevant Security Party. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (h).

22.6 FATCA Deduction

- (a) Each party to a Finance Document may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and shall not be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each party to a Finance Document shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to a Finance Document to whom it is making the payment and, in addition, shall notify the Borrowers and the Agent and the Agent shall notify the other Creditor Parties.

23 ILLEGALITY, ETC

23.1 Illegality

This Clause 23 (*Illegality, etc*) applies if a Lender (the “**Notifying Lender**”) notifies the Agent that it has become, or will with effect from a specified date, become for that Lender or any affiliate of that Lender:

- (a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
- (b) contrary to, or inconsistent with, any regulation,
- for the Notifying Lender to maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement.

23.2 Notification of illegality

The Agent shall promptly notify the Borrowers, the Security Parties, the Security Trustee and the other Lenders of the notice under Clause 23.1 (*Illegality*) which the Agent receives from the Notifying Lender.

23.3 Prepayment; termination of Commitment

On the Agent notifying the Borrowers under Clause 23.2 (*Notification of illegality*), the Notifying Lender’s Commitment shall terminate; and thereupon or, if later, on the date specified in the Notifying Lender’s notice under Clause 23.1 (*Illegality*) as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender’s Contribution in accordance with Clause 8 (*Repayment and Prepayment*).

24 INCREASED COSTS

24.1 Increased costs

(a) Each Borrower shall, within 3 Business Days of a demand by the Agent, pay for the account of a Creditor Party the amount of any Increased Costs incurred by that Creditor Party or any of its affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation made,

after the date of this Agreement.

(b) In this Agreement, “**Increased Costs**” means:

(i) a reduction in the rate of return from the Loan or on a Creditor Party’s (or its affiliate’s) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Creditor Party or any of its affiliates to the extent that it is attributable to that Creditor Party having entered into its Commitment or funding or performing its obligations under any Finance Document and, for the avoidance of doubt, includes any Increased Costs incurred or suffered by a Creditor Party or any of its affiliates as a result of or with connection to Basel III, CRD IV or CRR,

but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (aa) (or a parent company of it) or (bb) an item covered by the indemnity for tax in Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) or by Clause 22 (*No Set-off or Tax Deduction*) or (cc) a FATCA Deduction.

24.2 Increased cost claims

(a) A Creditor Party (the “**Notifying Lender**”) intending to make a claim pursuant to Clause 24.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

(b) Each Creditor Party shall, as soon as practicable after a demand by the Agent, provide a certificate setting out, in reasonably detail, the amount and the event giving rise to such Increased Costs, except that no Creditor Party shall be required to disclose any information that is confidential or proprietary (as determined by such Finance Party in its sole discretion).

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.2 (*Increased cost claims*).

24.4 Payment of increased costs

The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment

If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4 (*Payment of increased costs*), the Borrowers may give the Agent not less than 15 days' notice of their intention to prepay the Notifying Lender's Contribution at the end of an Interest Period and/or to cancel the Notifying Lender's Available Commitment.

24.6 Prepayment; termination of Commitment

A notice under Clause 24.5 (*Notice of prepayment*) shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Commitment of the Notifying Lender shall be cancelled; and
- (b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin.

24.7 Application of prepayment

Clause 8 (*Repayment and Prepayment*) shall apply in relation to the prepayment.

25 SET-OFF

25.1 Application of credit balances

Each Creditor Party may without prior notice:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of a Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from that Borrower to that Creditor Party under any of the Finance Documents; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of that Borrower;
 - (ii) convert or translate all or any part of a deposit or other credit balance into Dollars; and

- (iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 Existing rights unaffected

No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1 (*Application of credit balances*); and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 Sums deemed due to a Lender

For the purposes of this Clause 25 (*Set-off*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to such Lender.

25.4 No Security Interest

This Clause 25 (*Set-off*) gives the Creditor Parties a contractual right of set off only and does not create any equitable charge or other Security Interest over any credit balance of any Borrower.

26 TRANSFERS AND CHANGES IN LENDING OFFICES

26.1 Transfer by Borrowers

No Borrower may, without the consent of the Agent, given on the instructions of all the Lenders:

- (a) transfer any of its rights or obligations under any Finance Document; or
- (b) enter into any merger, de-merger or other reorganisation, or carry out any other act, as a result of which any of its rights or liabilities would vest in, or pass to, another person.

26.2 Transfer by a Lender

- (a) Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender (the "**Transferor Lender**") may at any time, without the prior written consent of the Borrowers (but with a 15 days' prior notice), transfer and/or assign:

- (i) its rights in respect of all or part of its Contribution; or
- (ii) its obligations in respect of all or part of its Commitment; or
- (iii) a combination of (i) and (ii),

to another Lender, another branch, subsidiary or affiliate of a Lender, another first class international bank or financial institution, any member of the European System of Central Banks, or to any (re)insurers and insurance brokers or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in shipping loans, securities or other financial assets (a "**Transferee Lender**") by delivering to the Agent a completed certificate in the form set out in Schedule 4 (*Transfer Certificate*) with any modifications approved or required by the Agent (a "**Transfer Certificate**") executed by the Transferor Lender and the Transferee Lender.

However, any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Deed.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, each Borrower, the Security Parties, the Security Trustee and each of the other Lenders;
- (b) on behalf of the Transferee Lender, send to each Borrower and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it; and
- (c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above,

Provided that the Agent is satisfied that the Transferee Lender has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such Transferee Lender.

26.4 Effective Date of Transfer Certificate

A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date **Provided that** it is signed by the Agent under Clause 26.3 (*Transfer Certificate, delivery and notification*) on or before that date.

26.5 No transfer without Transfer Certificate

No assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, any Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 Lender re-organisation; waiver of Transfer Certificate

However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the “**successor**”), the Agent may, if it sees fit, by notice to the successor and the Borrowers and the Security Trustee waive the need for the execution and delivery of a Transfer Certificate; and, upon service of the Agent’s notice, the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender’s title and of any rights or equities which the Borrowers or any Security Party had against the Transferor Lender;

- (b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;
- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;
- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 5.7 (*Market disruption*) and Clause 20 (*Fees and Expenses*), and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and
- (g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of any Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders

During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4 (*Effective Date of Transfer Certificate*)) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Lender, the Security Trustee and the Borrowers during normal banking hours, subject to receiving at least 3 Business Days prior notice.

26.9 Reliance on register of Lenders

The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates

The Borrowers, the Security Trustee and each Lender irrevocably authorise the Agent to sign Transfer Certificates on its behalf.

26.11 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$1,500 (and all costs, fees and expenses incidental to the transfer (including, but not limited to legal fees and expenses)) from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment

A Lender may sub-participate all or any part of its rights and/or obligations under or in connection with the Finance Documents without the consent of, or any notice to, the Borrowers, any Security Party, the Agent or the Security Trustee; and the Lenders may assign, in any manner and terms agreed by the Majority Lenders, the Agent and the Security Trustee, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.13 Disclosure of information

Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender may, disclose to a potential Transferee Lender or, to any sub-participant any information which the Lender has received in relation to the Borrowers, any Security Party or their affairs under or in connection with any Finance Document, unless the information is clearly of a confidential nature only after a potential Transferee Lender or any sub-participant to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) by way of a confidentiality agreement in a form recommended by the LMA from time to time or acceptable to the Borrowers.

The Borrowers agree that the terms and conditions of this Agreement shall remain confidential and shall not, or shall procure that the Corporate Guarantor shall not, disclose (whether, without limitation, in writing or orally) to third parties (other than any disclosure to the Corporate Guarantor's shareholders, officers, employees or professional advisers **Provided that** the person to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) any information required to be disclosed by law, regulation or any governmental or competent regulatory authority (including without limitation, any securities exchange), provided that, to the extent reasonably practicable, the Corporate Guarantor shall inform the Agent on the proposed form, timing, nature and purpose of the disclosure) the existence of this Agreement or the terms and conditions contained herein without the prior written consent of the Lenders.

26.14 Change of lending office

A Lender may change its lending office by giving notice to the Agent and the change shall become effective on the later of:

- (a) the date on which the Agent receives the notice; and
- (b) the date, if any, specified in the notice as the date on which the change will come into effect,

provided that a Lender shall not nominate more than two lending offices.

26.15 Notification

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending office of which the Agent last had notice.

26.16 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26 (*Transfers and Changes in Lending Offices*), each Lender may without consulting with or obtaining consent from any Borrower or any Security Party, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities;

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by the Borrowers or any Security Party or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.17 Preservation of security

The benefit of the Security Interests created under the Finance Documents shall automatically transfer to any assignee or transferee (by way of novation or otherwise) of part or all of the obligations expressed to be secured by the Security Interests created under the Finance Documents. For the purpose of Article 1278 and Article 1281 of the Belgian Civil Code (and, to the extent applicable, any similar provisions of foreign law), the Security Trustee, the other Credit Parties and each of the obligors hereby expressly reserve the preservation of the Security Interests created under the Finance Documents in case of assignment, novation, amendment or any other transfer or change of the obligations expressed to be secured by the Security Interests created under the Finance Documents (including, without limitation, an extension of the term or an increase of the amount of such obligations or the granting of additional credit) or of any change of any of the parties to this Agreement or any other Finance Document.

27 VARIATIONS AND WAIVERS BY MAJORITY LENDERS

27.1 Variations, waivers etc. by Lenders

Subject to Clause 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), a document shall be effective to vary, waive, suspend or limit any provision of a Finance Document, or any Creditor Party's rights or remedies under such a provision or the general law, only if the document is signed, or specifically agreed to by fax, by the Borrowers, by the Agent on behalf of the Majority Lenders, by the Agent and the Security Trustee in their own rights, and, if the document relates to a Finance Document to which a Security Party is party, by that Security Party.

27.2 Variations, waivers etc. requiring agreement of all Lenders

Subject to Clause 27.4 (*Replacement of Screen Rate*), as regards the following, Clause 27.1 (*Variations, waivers etc. by Lenders*) applies as if the words "by the Agent on behalf of the Majority Lenders" were replaced by the words "by or on behalf of every Lender":

- (a) a reduction in the Margin;
- (b) a postponement to the date for, or a reduction in the amount of, any payment of principal, interest, fees or other sum payable under this Agreement;
- (c) an increase in any Lender's Commitment;
- (d) a change to the definition of "**Majority Lenders**";
- (e) a change to Clause 3 (*Position of the Lenders*) or this Clause 27 (*Variations and Waivers by majority lenders*);
- (f) any release of, or material variation to, a Security Interest, guarantee, indemnity or subordination arrangement set out in a Finance Document; and
- (g) any other change or matter as regards which this Agreement or another Finance Document expressly provides that each Lender's consent is required.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 (*Variations, waivers etc. by Lenders*) and 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), no document, and no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

- (a) a provision of this Agreement or another Finance Document; or
- (b) an Event of Default; or
- (c) a breach by a Borrower or a Security Party of an obligation under a Finance Document or the general law; or
- (d) any right or remedy conferred by any Finance Document or by the general law,

and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 Replacement of Screen Rate

- (a) If a Screen Rate Replacement Event has occurred in relation to the Screen Rate for dollars, any amendment or waiver which relates to:
- (i) providing for the use of a Replacement Benchmark; and
 - (ii)
 - (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
 - (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Benchmark;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
 - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),
- may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrowers.
- (b) If, as at 1 January 2023 this Agreement provides that the rate of interest for the Loan in dollars is to be determined by reference to the Screen Rate for LIBOR:
- (i) a Screen Rate Replacement Event shall be deemed to have occurred on that date in relation to the Screen Rate for dollars; and
 - (ii) the Agent, (acting on the instructions of the Majority Lenders) and the Borrowers shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in relation to dollars in place of that Screen Rate from and including a date no later than 31 May 2023.
- (c) If any Lender fails to respond to a request for an amendment or waiver described in, or for any other vote of Lenders in relation to, paragraphs (a) or (b) above within 10 Business Days (or such longer time period in relation to any request which the Borrowers and the Facility Agent may agree) of that request being made:
- (i) its Commitment or its participation in the Loan (as the case may be) shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate of participations in the Loan (as applicable) has been obtained to approve that request; and

- (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

28 NOTICES

28.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 Addresses for communications

A notice shall be sent:

- (a) to a Borrower:
- c/o Tankers Management (Cayman) SEZC
Strathvale House, 90 N Church Street
P.O. Box 309, Grand Cayman
KY1-1104 Cayman Islands
- for the attention of: Vassiliki Papaefthymiou
- E-mail: legal_corp@navios.com;
vpapaefthymiou@Navios.com
- (b) to a Lender: At the address below its name in Schedule 1 or (as the case may require) in the relevant Transfer Certificate.
- (c) to the Agent and the Security Trustee:
- Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France
- E-mail: clementine.costil@ca-cib.com; romy.rousseau@ca-cib.com; charlene.marguethertz@ca-cib.com;
Copy: nicoletta.panayiotopoulos@ca-cib.com; yannick.legourieres@ca-cib.com;
- (d) to the Account Bank:
- Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

E-mail:
clementine.costil@ca-cib.com;
romy.rousseau@ca-cib.com;
charlene.marguethentz@ca-cib.com;

Copy:
nicoletta.panayiotopoulos@ca-cib.com;
yannick.legourieres@ca-cib.com;

or to such other address as the relevant party may notify the Agent or, if the relevant party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 Effective date of notices

Subject to Clauses 28.4 (*Service outside business hours*) and 28.5 (*Illegible notices*):

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by fax shall be deemed to be served, and shall take effect, 2 hours after its transmission is completed.

28.4 Service outside business hours

However, if under Clause 28.3 (*Effective date of notices*) a notice would be deemed to be served:

- (a) on a day which is not a business day in the place of receipt; or
- (b) on such a business day, but after 5 p.m. local time,

the notice shall (subject to Clause 28.5 (*Illegible notices*)) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 Illegible notices

Clauses 28.3 (*Effective date of notices*) and 28.4 (*Service outside business hours*) do not apply if the recipient of a notice notifies the sender within 1 hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or

- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 English language

Any notice under or in connection with a Finance Document shall be in English.

28.8 Meaning of “notice”

In this Clause “notice” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 SUPPLEMENTAL

29.1 Rights cumulative, non-exclusive

The rights and remedies which the Finance Documents give to each Creditor Party are:

- (a) cumulative;
- (b) may be exercised as often as appears expedient; and
- (c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

29.2 Severability of provisions

If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

29.3 Third party rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

29.4 Waiver of Banking Secrecy

The Borrowers hereby irrevocably authorise and give consent to the Agent and, each of its affiliates, and their respective subsidiaries, branches and representative offices and their respective directors, officers, employees and agents (the “**Authorised Persons**” and each an “**Authorised Person**”), to disclose and transmit to the Applicable Persons, whether orally, in writing or by any other means, information and documents which relates to, or are connected with, the Borrowers, their beneficial owner, any other member of the Group, their business, dealings or assets (the “**Information**”), from time to time and to the extent that the Authorised Person deems such disclosure or transmission to be necessary or desirable for or incidental to the carrying out of its duties, obligations, commitments and activities whether arising under contract or by operation of law and/or consolidated supervision and risk management policy, to the extent that the Information is covered by banking secrecy under any applicable law in general and Swiss banking secrecy rules in particular and/or:

- (a) necessary or desirable for the purposes of its internal cross-selling enabling the Borrowers and/or any other member of the Group to benefit from the Agent’s or any other Authorised Person’s business activities; and/or

- (b) necessary or desirable to insure a risk related to the Borrowers and/or any other member of the Group; and/or
- (c) necessary or desirable to syndicate a risk related to the Borrowers and/or any other member of the Group; and/or
- (d) necessary or desirable to securitise a risk related to the Borrowers and/or any other member of the Group; and/or
- (e) necessary or desirable to open an account or to start a business relation with the Agent's or any other Authorised Person's parent company or any of its subsidiaries or branches.

In this Clause 29.4 (*Waiver of Banking Secrecy*), "**Applicable Person**" means any or all of the following persons:

- (i) any authority or person against which, pursuant to any applicable law, administrative order or court ruling, banking secrecy may not be validly asserted by an Authorised Person;
- (ii) the Agent's or any other Authorised Person's parent company, any of its subsidiaries, branches or representative offices;
- (iii) any rating agency, auditor, insurance and reinsurance company, broker or professional adviser, to the extent such entity or person is bound by a statutory or contractual duty of confidentiality;
- (iv) any financial institution and institutional or other investor who is or might be involved in securitisation schemes, hedging agreements, participations, credit derivatives or any other risk transfer or sharing arrangements, including, inter alia, a bank and/or other financial institution's participation in, or syndication in respect of, the Loan;
- (v) any potential assignee or transferee or person who has entered into or is proposing to enter into contractual arrangements with the Authorised Person in relation to a Borrower; and
- (vi) any external computer services provider, for the purpose of maintenance or repair of the Agent's or any other Authorised Person's computer systems and data provided that such external computer services provider is bound by the confidentiality policy of BNP Paribas.

29.5 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an affiliate) ceases to be a Lender, the Agent shall (in consultation with the Borrowers) appoint another Lender or an affiliate of a Lender to replace that Reference Bank.

29.6 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent but may do so at the Agent's request.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any quotation provided to the Agent.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any quotation provided to the Agent, and any officer, employee or agent of each Reference Bank may rely on this clause subject to clause 29.3 and the provisions of the Third Parties Act.

29.7 Third party Reference Banks

Any Reference Bank which is not a party to this Agreement may rely on Clause 29.6 (*Role of Reference Banks*) subject to Clause 29.3 (*Third party rights*) and the provisions of the Third Parties Act.

29.8 Counterparts

A Finance Document may be executed in any number of counterparts.

30 CONFIDENTIALITY

30.1 Confidential Information

Each Creditor Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clauses 30.2 (*Disclosure of Confidential Information*) and 30.3 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information taking also into account the public nature of the Corporate Guarantor.

30.2 Disclosure of Confidential Information

Any Creditor Party may disclose:

- (a) to any of its affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, insurers, reinsurers, partners and Representatives such Confidential Information as that Creditor Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

- (b) to any person:
- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrowers and/or any Security Party and to any of that person's affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Creditor Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (vii) to whom or for whose benefit that Creditor Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 26.16 (*Security over Lenders' rights*), including to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to (or through) whom it creates Security Interest pursuant to Clause 26.16 (*Security over Lenders' rights*) and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it transfers (or may potentially transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security Interest;
 - (viii) who is a party to a Finance Document, a member of the Group or any related entity of the Borrowers or any Security Party; or
 - (ix) with the consent of the Borrowers;

in each case, such Confidential Information as that Creditor Party shall consider appropriate if:

- (A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

- (B) in relation to sub-paragraph (iv) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (v), (vi) and (vii) of paragraph (b) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Creditor Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Creditor Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Creditor Party; and
 - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Borrowers and/or the Security Parties.

30.3 Disclosure to numbering service providers

- (a) Any Creditor Party may disclose to any national or international numbering service provider appointed by that Creditor Party to provide identification numbering services in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties the following information:
 - (i) names of the Borrowers and the Security Parties;
 - (ii) country of domicile of the Borrowers and the Security Parties;
 - (iii) place of incorporation of the Borrowers and the Security Parties;
 - (iv) date of this Agreement;
 - (v) governing law;
 - (vi) the name of the Agent;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amount of the Loan;
 - (ix) amount of Total Commitments;

- (x) currency of the Loan;
 - (xi) type of facility;
 - (xii) ranking of facility;
 - (xiii) final Repayment Date;
 - (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
 - (xv) such other information agreed between such Creditor Party and the Borrowers,
- to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The parties to this Agreement acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or the Borrowers and/or any Security Party by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
 - (c) The Borrowers represent that none of the information set out in sub-paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
 - (d) The Agent shall notify the Borrowers and the other Creditor Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Loan and/or the Borrowers and/or the Security Parties by such numbering service provider.

30.4 Entire agreement

This Clause 30 (*Confidentiality*) constitutes the entire agreement between the parties to this Agreement in relation to the obligations of the Creditor Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

30.5 Inside information

Each of the Creditor Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Creditor Parties undertakes not to use any Confidential Information for any unlawful purpose.

30.6 Notification of disclosure

Each of the Creditor Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 30.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 30.

30.7 Continuing obligations

The obligations in this Clause 30 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Creditor Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Borrowers and the Security Parties under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Creditor Party otherwise ceases to be a Creditor Party.

31 LAW AND JURISDICTION

31.1 English law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

31.2 Exclusive English jurisdiction

Subject to Clause 31.3 (*Choice of forum for the exclusive benefit of the Creditor Parties*), the courts of England shall have exclusive jurisdiction to settle any Dispute.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 31.2 (*Exclusive English jurisdiction*) is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

- (a) to commence proceedings in relation to any Dispute in the courts of any country other than England and which have or claim jurisdiction to that Dispute; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

No Borrower shall commence any proceedings in any country other than England in relation to a Dispute.

31.4 Process agent

Each Borrower irrevocably appoints Hill Dickinson LLP at their office for the time being, presently at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

31.5 Creditor Party rights unaffected

Nothing in this Clause 31 (*Law and Jurisdiction*) shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 Meaning of “proceedings” and “Dispute”

In this Clause 31 (*Law and Jurisdiction*), “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure and a “**Dispute**” means any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement).

32 BAIL-IN

32.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each party hereto acknowledges and accepts that any liability of any party to a Finance Document under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
DUCALE MARINE INC.)

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
KLEIMAR NV)

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
OPAL SHIPPING CORPORATION)

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
IRIS SHIPPING CORPORATION)

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
HIGHBIRD MANAGEMENT INC.)

SIGNED by /s/ Fransisco G. Tazelaar)
Abogado / Attorney-at-law)
for and on behalf of)
CORSAIR SHIPPING LTD.)

LENDERS

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
BNP PARIBAS)

BOOKRUNNERS AND ARRANGERS

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
BNP PARIBAS)

MANDATED LEAD ARRANGERS

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
BNP PARIBAS)

AGENT

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)

SECURITY TRUSTEE

SIGNED by /s/ Charalampos Kazantzis)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)

Witness to all the above /s/ Aikaterina Dimitriou)
Signature)
Name: AIKATERINA DIMITRIOU)
Address: WATSON FARLEY & WILLIAMS)
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

'BARECON 2001' STANDARD BAREBOAT CHARTER

PART 1

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <p>1. Shipbroker
ITOCHU CORPORATION
TOKBR Section, 5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077, Japan</p> | <p>BIMCO STANDARD BAREBOAT CHARTER CODE NAME : "BARECON 2001" PART I</p> | |
| <p>2. Owners / Place of business (Cl. 1)
Batanagar Shipping Corporation guaranteed by Okouchi Kaiun Co., Ltd.</p> | <p>2. Place and date
In New York, U.S.
XXth December, 2021</p> | |
| <p>3. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3)
M/V NAVIOS STELLAR, 3FCJ, Panama, 9498781</p> | <p>4. Bareboat Charterers / Place of business (Cl. 1)
Shikhar Ventures S.A.
80 Broad Street, Monrovia, Liberia</p> | |
| <p>4. Type of Vessel
Bulk Carrier</p> | <p>7. GT / NT
88,421/56,329</p> | |
| <p>5. When / Where built
2009, Sungdong S.B. & Marine Engineering Co., Ltd.</p> | <p>9. Total DWT (abt.) in metric tons on summer freeboard
169,001 MT</p> | |
| <p>6. Classification Society (Cl. 3)
American Bureau of Shipping (ABS)</p> | <p>11. Date of last special survey by the Vessel's classification society
17 October, 2019</p> | |
| <p>12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)
Cargoes to be carried; All lawful cargoes within the Vessel's capabilities/Class, IMO, flag, her insurance</p> | | |
| <p>13. Port or Place of delivery (Cl.3)
As per Clause 5 of the MOA (as defined in Clause 1 hereof)</p> | <p>14. Time for delivery (Cl.4)
As per Clause 5 of the MOA See</p> | <p>15. Cancelling date (Cl.5)
As per Clause 5 of the MOA Also Clause 32.</p> |
| <p>16. Port or Place of redelivery (Cl. 3)
At one safe berth or one safe port worldwide in the Charterers' option</p> | <p>17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)
Minimum 3 months</p> | |
| <p>18. Running days' notice if other than stated in Cl.4
N/A</p> | <p>19. Frequency of dry-docking Cl. 10(g)
As per Classification Society and flag state requirements</p> | |
| <p>20. Trading Limits (Cl.6)
Trading Limits: always safely afloat world-wide within International Navigation Conditions with the Charterer's option to break same paying extra insurance, but always in accordance with Clause 13 and 40. Any other country designated pursuant to any international including U.N. / U.S. / EU or supranational law or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter Period) to be excluded.</p> | | |
| <p>21. Charter Period (Cl. 2)
Firm Six (6) years plus Optional Two (2) years with up to 3 months more or less in Charterers' option (See Clause 34)</p> | <p>22. Charter hire (Cl. 11)
See Clause 35</p> | |
| <p>23. New class and other statutory requirements (state percentage of Vessel's insurance value acc. to Box 29 (Cl. 10(a)(ii))
N/A</p> | | |
| <p>24. Rate of interest payable acc. to Cl.11(f) and, if applicable, acc. to PART IV
N/A</p> | <p>25. Currency and method of payment (Cl.11)
United States Dollars payable calendar monthly in advance</p> | |
| <p>26. Place of payment; also state beneficiary and bank account (Cl. 11)
To be advised</p> | <p>27. Bank guarantee / bond (sum and place) (Cl. 24 (optional)
N/A</p> | |

- 28. Mortgage(s), if any (state whether Cl. 12(a) or (b) applies; if 12(b) applies, state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)
See Clause 44
- 29. Insurance (hull and machinery and war risks) (state value acc. to Cl.13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl.14 applies)
See Clause 40
- 30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
N/A
- 31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
See Clause 40 (c)
- 32. Latent defects (only to be filled in if period other than stated in Cl.3)
N/A
- 33. Brokerage commission and to whom payable (Cl.27)
N/A
- 34. Grace period (state number of clear banking days) (Cl. 28)
See Clause 41
- 35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed, Place of Arbitration must be stated (Cl. 30)
London
- 36. War cancellation (indicate countries agreed) (Cl. 26(f))
N/A
- 37. Newbuilding Vessel (indicate with 'yes' or 'no' whether PART III applies) (optional)
No
- 38. Name and place of Builders (only to be filled in if PART III applies)
N/A
- 39. Vessel's Yard Building No. (only to be filled in if PART III applies)
No
- 40. Date of Shipbuilding Contract (only to be filled in if PART III applies)
N/A
- 41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1)
a) **N/A**
b) **N/A**
c) **N/A**
- 42. Hire/Purchase agreement (indicate with 'yes' or 'no' whether PART IV applies) (optional)
N/A
- 43. Bareboat Charter Registry (indicate with 'yes' or 'no' whether PART IV applies) (optional)
Yes in Charterers' option
- 44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)
See Clause 37
- 45. Country of the Underlying Registry (only to be filled in if PART V applies)
- 46. Number of additional clauses covering special provisions, if agreed
Clause 32 to 56 inclusive

PREAMBLE—It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)

Batanagar Shipping Corporation

/s/ Keisuke Okouchi

By: Keisuke Okouchi
Title: Attorney-in-fact

Signature (Charterers)

Shikhar Ventures S.A.

/s/ Shunti Sasada

By: Shunti Sasada
Title: Attorney-in-fact

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3;

"The Charterers" shall mean the party identified in Box 4;

"The Vessel" shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12;

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

"MOA" means the Memorandum of Agreement entered into between the Owners as buyers and the Charterers as Sellers dated XXth December 2021 in respect of the Vessel.

"Banking Days" shall mean the days identified in Cl.36 (b)

"Total Loss" shall mean the situation identified in Cl.40 (a)

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (the "Charter Period").

3. Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

(not applicable when PART III applies, as indicated in Box 37)

~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 ~~in such ready safe berth as the Charterers may direct.~~

~~(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.~~

~~(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery See Clause 32

(not applicable when PART III applies, as indicated in Box 37)

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.

~~hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

(not applicable when PART III applies, as indicated in Box 37)

The Owners and Charterers **have the right of** shall each appointing surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery, redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.

8. Inspection

The Owners shall have the right **maximum twice per year at any time** after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf: **provided it does not interfere with the operation of the Vessel and/or crew**

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners. ~~unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;~~

~~(b) in dry dock if the Charterers have not dry docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and~~

5. Cancelling

(not applicable when PART III applies, as indicated in Box 37)

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty six (36) running~~

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(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.

The Charterers shall also permit the Owners to inspect the Vessel's log books **maximum twice per year** ~~whenever reasonably requested~~ and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores SEE CLAUSE 53

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel. SEE ALSO CLAUSE 32, AND CLAUSE 46

10. Maintenance and Operation

(a) and Repairs—During the Charter period the Vessel (i) Maintenance shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall **exercise due diligence** to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(l), if applicable, at their own expense, they shall at all times keep the Vessel's Class **unexpired** fully up to date with the Classification Society indicated in Box 10 maintain all other necessary certificates in force at all times.

(ii) New Class and Other Safety Requirements

~~In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter, shall in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30. SEE CLAUSE 38~~

(iii) Financial Security—The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(b) Operation of the Vessel—The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, ~~even if for any reason appointed by the Owners.~~

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.

(d) Flag and Name of Vessel

~~During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and de-registration, if required by the Owners, shall be at the Charterers' expense and time. SEE CLAUSE 37 & 43~~

(e) Changes to the Vessel ~~—Subject to Clause 10(a)(ii),~~

~~the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter. SEE CLAUSE 38~~

(f) Use of the Vessel's Outfit, Equipment and Appliances—The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in **substantially** the same ~~good order and~~ condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period **unless agreed otherwise by the Owners and the Charterers**, if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(g) Periodical Dry-Docking—The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not

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less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.

11. Hire SEE CLAUSE 35

(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.

(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.

(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.

(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days remaining before redelivery and advance payment to be effected accordingly.

(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.

(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) of the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent, shall apply.

(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.

12. Mortgage SEE CLAUSE 44

** (only to apply if Box 28 has been appropriately filled in)*

(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

** (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.*

(Optional, Clauses 12 (a) and 12 (b) are alternatives; indicate alternative agreed in Box 28).

13. Insurance and Repairs SEE CLAUSE 40

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a) (iii)) ~~in underwriter's standard form as the Owners have received, reviewed and shall in writing approved, which approval shall not be unreasonably withheld.~~ in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. ~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be **reasonably** required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause. SEE CLAUSE 40~~

(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

~~(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29. SEE CLAUSE 40~~

14. Insurance, Repairs and Classification N/A

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

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(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expenses against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery ALSO SEE CLAUSE 46

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe berth or anchorage at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 5 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in **substantially** the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien ALSO SEE CLAUSE 47

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

‘This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.’

17. Indemnity ALSO SEE CLAUSE 54

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

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(b) If the Vessel be arrested or otherwise detained by reason of a claims or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.

~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter. SEE CLAUSE 48~~

23. Contracts of Carriage

(a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto. Delete as applicable.~~

24. Bank Guarantee

(Optional, only to apply if Box 27 filled in)

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this

25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)/(b)

(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.

(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority, **which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title** (hereinafter referred to as 'Compulsory Acquisition'), then, ~~irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur,~~ this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition", **but not thereafter.**

26. War

(a) For the purpose of this Clause, the words 'War Risks' shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls~~

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shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(e) The Charterers shall have the liberty:

- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions'
- (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
- (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

~~(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

27. Commission

~~The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.~~

~~If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.~~

28. Termination

(a) Charterer's Default

~~The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:~~

(ii) the Charterers fail to comply with the requirements of:

(1) Clause 6 (Trading Restrictions)

(2) Clause 13(a) (Insurance and Repairs)

~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;~~

~~(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.~~

~~SEE CLAUSE 41 & 42~~

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. SEE CLAUSE 40 (d)/(e)

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, ~~or if it suspends payment,~~ ceases to carry on business or makes any special arrangements or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall

(i) ~~the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;~~

PART II
“BARECON 2001” Standard Bareboat Charter

hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.

30. Dispute Resolution

- *) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

- *) ~~(b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

- *) (c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.

(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-

- (i) ~~Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the “Mediation Notice”) (calling on the other party to agree to mediation.~~
- (ii) ~~The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the “Tribunal”) or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~
- (iii) ~~If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~
- (iv) ~~The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~
- (v) ~~Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedures shall continue during the conduct of the mediation by the Tribunal may take the mediation timetable into account when settling the timetable for steps in the arbitration.~~
- (vi) ~~Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.~~
- (vii) ~~The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.~~

(Note: the parties should be aware that the mediation process may not necessarily interrupt time limits.)

- *) (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.

Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

31. Notices SEE CLAUSE 51

(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

PART III

PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 37)

1. Specifications and Shipbuilding Contract

(a) The Vessel shall be constructed in accordance with the Building Shipbuilding Contract (hereafter called “the Shipbuilding Building Contract”) as annexed to this Charter, made between the Builders and the Sellers Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.

(b) No change shall be made in the Shipbuilding Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid without the Charterers’ consent.

(c) The Charterers shall have the right to send their representative to the Builders’ Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel’s performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners’ liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties.

The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery — SEE CLAUSE 33

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders’ Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract, the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of the Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders; **SEE CLAUSE 33**

(iv) if this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. Guarantee Works — SEE CLAUSE 32

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the Shipbuilding building Contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. Name of Vessel — SEE CLAUSE 44

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery — SEE CLAUSE 46

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.

Without prejudice to Clause 15 (PART II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

PART IV

HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to PART I and II as well as PART III, if applicable, it is agreed that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expense connected with the purchase and registration under Buyers' flag shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalised, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc) as well as all plans which may be in Sellers' possession.

The wireless installation and nautical instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract, and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers, and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (PART II) or to pay the equivalent cost of their journey to any other place.

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1. **Definitions**

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

“The Bareboat Charter Registry” shall mean the registry of the state whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. **Mortgage—See Clause 44**

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (PART II) shall apply.

3. **Termination of Charter by Default**

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

to

the Bareboat Charter Party dated XXth December, 2021 (this “Charter”) by

Batanagar Shipping Corporation as owner (the “Owners”) and

Shikhar Ventures S.A.as charterer (the “Charterers”)

in respect of MV “Navios Stellar” (the “Vessel”)

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel’s condition at the time of delivery, and expressly agree that the Vessel’s condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly “as is/where is”, and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the “company” (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the “Company” to comply with the ISM code shall be for the Charterers’ account.

34. CHARTER PERIOD

- (a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.
- (b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the “**Charter Period**”) shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of firm Six (6) years and optional Two (2) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the “**Delivery Date**”) with up to three (3) months more or less in the Charterers’ option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40. Charterers can declare optional 2 years extension for Charter period upon a written declaration from Charterers, but this declaration shall be issued not later than end of 5th years of Charter Period.

35. CHARTER HIRE

The Charterers shall, throughout the Charter Period, pay charter hire (“**Charter Hire**”) to the Owners monthly in advance at the agreed following rate by telegraphic transfer for each successive period of a month commencing with the Delivery Date and with subsequent installments at monthly intervals after the date of payment of such first installment by and until the redelivery of the Vessel. Time is of the essence for payment of the Charter Hire under this Charter.

1st – 4th Year	USD 7,500 / day
5th – 6th Year	USD 7,350 / day
Optional 2 Years	USD 7,350 / day
No address commission.	

36. PAYMENTS

- (a) Notwithstanding anything to the contrary contained in this Charter, all payments by the Charterers hereunder (whether by way of hire or otherwise) shall be made as follows:-
- (i) not later than 11:00 a.m. (New York time) on one Banking Day prior to the date on which the relevant payment is due under the terms of this Charter: and
 - (ii) in United States Dollars to THE HIROSHIMA BANK, LTD. (or such other bank or banks as may from time to time be notified by the Owners to the Charterers by not less than fourteen (14) days' prior written notice) for the account of the Owners .
- (b) If any day for the making of any payment hereunder shall not be a Banking Day (being, for all purposes of this Charter, a day on which banks are open for transaction of business of the nature required by this Charter in Japan, Piraeus/Greece, London and New York) the due date for payment of the same shall be the next following Banking Day.
- (c) Subject to the terms of this Charter, the Charterers' obligation to pay hire in accordance with the requirements of Clause 35 and this Clause 36 and to pay certain amount of insurance benefit pursuant to Clause 40 (e) and to pay the Termination Compensation pursuant to Clause 42 shall be absolute irrespective of any contingency whatsoever, including (but not limited to) (i) any failure or delay on the part of any party hereto or thereto, whether with or without fault on its part, other than the Owners, in performing or complying with any of the terms or covenants hereunder, (ii) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against the Owners or the Charterers or any change in the constitution of the Owners or the Charterers or any other person, (iii) any invalidity or unenforceability or lack of due authorization of or other defect in this Charter, or (iv) any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter.
- (d) In the event of failure by the Charterers to pay within ten (10) Banking Days after the due date for payment thereof, or in the case of a sum payable on demand, the date of demand therefor, any hire or other amount payable by them under this Charter, the Charterers will pay to the Owners

on demand interest on such hire or other amount from the date of such failure to the date of actual payment (both before and after any relevant judgment or winding up of the Charterers) at the rate determined by the Owners and certified by them to the Charterers (such certification to be conclusive in the absence of manifest error) to be the aggregate of (i) two & one-half per centum (2½ %) and (ii) the London Interbank Offered Rate for US Dollar deposits of not more than one month's duration (as selected by the Owners or their funders in the light of the likely duration of the default in question) (as such rate is from time to time quoted by leading banks in the London Interbank Market). Interest payable by the Charterers as aforesaid shall be compounded at such intervals as the Owners shall determine and shall be payable on demand.

- (e) Any interest payable under this Charter shall accrue from day to day and shall be calculated on the actual number of days elapsed and a three hundred and sixty (360) day year.
- (f) In this Charter, unless the context otherwise requires, "month" means a period beginning in one calendar month (and, in the case of the first month, on the date of delivery hereunder) and ending in the succeeding calendar month on the day numerically corresponding to the day of the calendar month in which such period started provided that if there is no such numerically corresponding day, such period shall end on the last day in the relevant calendar month and "monthly" shall be construed accordingly.

37. FLAG AND CLASS

- (a) The Vessel shall upon the Delivery Date be registered in the name of the Owners under the Panamanian flag.
- (b) The Owners shall have no right either to transfer the flag of Vessel from Panama to any other registry or to require the Charterers to transfer the Vessel's classification society. The Charterers shall, at any time after the Delivery Date and at the Charterers' expense, have the right to transfer the Vessel's classification society from American Bureau of Shipping (ABS) to any other classification society at least equivalent to ABS.
- (c) Further, in the event that the Charterers need to change the flag of the Vessel, the Charterers can change the flag with the Owner's consent, which should not be unreasonably withheld, provided however that any expenses and time (including but not limited to legal charges for finance documents for the Mortgagee) shall be for the Charterers' account.

- (d) Subject to the Charterers' supplying the standard de-registration agreement reasonably satisfactory to the Mortgagee the Charterers are entitled to establish the standard bareboat registration on the Vessel at the costs, expense and time of the Charterers.
- (e) If during the Charter Period there are any modifications, improvements, structural changes or new equipment made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations and/or new requirements (including but not limited to IMO or international port or environmental regulation) to which operation of the Vessel is required to conform, the cost relating to such modifications shall be for the account of the Charterers.
- (f) All operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for Charterers account. However, all other cost (such as the Owners' financing cost /cost for registration and discharge of their mortgage etc) would be for Owners account, and Owners and Charterers shall equally bear initial registration cost to Vessel's flag under Owners' name. For the bareboat charter and the sale of the vessel, each party should bear its own costs.

38. IMPROVEMENT AND ADDITIONS

The Charterers shall have the right to fit additional equipment and to make severable improvements and additions at their expense and risk. Such additional equipment, improvements and additions shall be removed from the Vessel without causing any material damage to the Vessel (any such damage being made good by the Charterers at their time and expense) provided however that the Charterers shall redeliver the Vessel without removing such additional equipment, improvements and additions if the Owners consent to such non-removal before the redelivery.

The Charterers shall also have the right to make structural or non-severable improvements and additions to the Vessel at their own time, costs and expense and risk provided that such improvements and additions do not diminish the market value of the Vessel and are not likely to diminish the market value of the Vessel during or at the end of the Charter Period and do not in any way affect or prejudice the marketability or the useful life of the Vessel and are not likely to affect or prejudice the marketability or the useful life of the Vessel during or at the end of the Charter Period.

39. UNDERTAKING

The Charterers undertake and agree that throughout the Charter period they will:-

- notify the Owners in writing of any Termination Event (or event of which they are aware which, with the giving of notice and/or lapse of time or other applicable condition, would constitute a Termination Event);

40. INSURANCE, TOTAL LOSS AND COMPULSORY ACQUISITION

- (a) For the purposes of this Charter, the term "Total Loss" shall include actual or constructive or compromised or agreed or arranged total loss of the Vessel including any such total loss as may arise during a requisition for hire. "Compulsory Acquisition" shall have the meaning assigned thereto in Clause 25(b) hereof.
- (b) The Charterers undertake with the Owners that throughout the Charter Period:-
- (i) they will keep the Vessel insured in underwriter's standard form as the Owners shall in writing approve, which approval shall not be unreasonably withheld, with such insurers (including P&I and war risks associations) as shall be reasonably acceptable to the Owners with deductibles reasonably acceptable to the Owners (it being agreed and understood by the Charterers that there shall be no element of self- insurance or insurance through captive insurance companies without the prior written consent of the Owners);
 - (ii) they will be properly entered in and keep entry of the Vessel with P&I Club that is a member of the International Group of Protection and Indemnity Association for the full commercial value and tonnage of the Vessel and against all prudent P&I Risks in accordance with the rules of such association or club including, in case of oil pollution liability risks equal to the highest level of cover from time to time available under the basic entry with such P&I (but always a minimum of USD1,000,000,000.);

- (iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-
- (a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

- (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
 - (ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
 - (iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.
- (b) During any periods when the Vessel is not mortgaged:
 - (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
 - (ii) All other recoveries not exceeding United States Dollars One million (US\$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
 - (iii) All other recoveries exceeding United States Dollars One million (US\$1,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever, subject to the fulfillment of the provisions of Clause 44;

and the Owners and Charterers agree to be bound by the above provisions.

- (iv) the Charterers shall procure that duplicates of all cover notes, policies and certificates of entry shall be furnished to the Owners for their custody ;
- (v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall
 - (A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.
 - (B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and
- (vi) the Charterers shall use all reasonable efforts to procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners prior written notification of any amendment, suspension, cancellation or termination of the insurances in accordance with the underwriters' guidance and rules.
- (c) Notwithstanding anything to the contrary contained in Clauses 13 and any other provisions hereof, the Vessel shall be kept insured during the Charter Period in respect of marine and war risks on hull and machinery basis (The Charterers shall have the option, to take out on a full hull and machinery basis increased value or total loss cover in an amount not exceeding thirty per centum (30%) of the total amount insured from time to time) for not less than the amounts specified in column (b) in the table set out below in respect of the one-yearly period during the Charter Period specified in column (a) (on the assumption that the first such period commences on the Delivery Date) against such amount (hereinafter referred to as the "**Minimum Insured Value**"):

(a)	(b)
-----	-----

Year	Minimum Insured Value
1	US\$ 20,900,000.-
2	US\$ 18,493,750.-
3	US\$ 16,087,500.-
4	US\$ 13,681,250.-
5	US\$ 11,275,000.-
6	US\$ 8,868,750.-
7	US\$ 6,462,500.-
8	US\$ 4,056,250.-

- (d) (i) If the Vessel shall become a Total Loss or be subject to Compulsory Acquisition the Chartering of the Vessel to the Charterers hereunder shall cease and the Charterers shall:-
- (A) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at and up to the date on which the Total Loss or Compulsory Acquisition occurred (the "Date of Loss") together with interest thereon at a rate reflecting the Owners' reasonable cost of funds at such intervals, which amount to be agreed between the Owners and the Charterers and shall cease to be under any liability to pay any hire, but not any other amounts, thereafter becoming due and payable under this Charter, Provided that all hire and any other amounts prepaid by the Charterers subsequent to the Date of Loss shall be forthwith refunded by the Owners:
 - (B) for the purposes of this sub-clause, the expression "relevant Minimum Insured Value" shall mean the Minimum Insured Value applying to the one-year period in which the Date of Loss occurs.
- (ii) For the purpose of ascertaining the Date of Loss:-
- (A) an actual total loss of the Vessel shall be deemed to have occurred at noon (London time) on the actual date the Vessel was lost but in the event of the date of the loss being unknown the actual total loss shall be deemed to have occurred at noon (London time) on the date on which it is acknowledged by the insurers to have occurred:

- (B) a constructive, compromised, agreed, or arranged total loss of the Vessel shall be deemed to have occurred at noon (London time) on the date that notice claiming such a total loss of the Vessel is given to the insurers, or, if the insurers do not admit such a claim, at the date and time at which a total loss is subsequently admitted by the insurers or adjudged by a competent court of law or arbitration tribunal to have occurred. Either the Owners or, with the prior written consent of the Owners (such consent not to be unreasonably withheld), the Charterers shall be entitled to give notice claiming a constructive total loss but prior to the giving of such notice there shall be consultation between the Charterers and the Owners and the party proposing to give such notice shall be supplied with all such information as such party may request; and
 - (C) Compulsory Acquisition shall be deemed to have occurred at the time of occurrence of the relevant circumstances described in Clause 25 (b) hereof.
- (e) All moneys payable under the insurance effected by the Charterers pursuant to Clauses 13 and 40, or other compensation, in respect of a Total Loss or pursuant to Compulsory Acquisition of the Vessel shall be received in full by the Owners (or the Mortgagees as assignees thereof) and applied by the Owners (or, as the case may be, the Mortgagees):-
- FIRST, in payment of all the Owners' costs incidental to the collection thereof,
- SECONDLY, in or towards payment to the Owners (to the extent that the Owners have not already received the same in full) of a sum equal to the aggregate of (i) unpaid but due hire under this Charter and unpaid interest thereon up to and including the Date of Loss and (ii) the amount of purchase option price payable under clause 49 as at the Date of Loss, and
- THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

- (f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. TERMINATIONEVENTS

- (a) Each of the following events shall be a "Termination Event" for purposes of this Charter:-
- (i) if any installment of hire or any other sum payable by the Charterers under this Charter (including any sum expressed to be payable by the Charterers on demand) shall not be paid at its due date under this Charter or within ten (10) Banking Days of the date of demand and such failure to pay is not remedied within ten (10) Banking Days of receipt by the Charterers of written notice from the Owners notifying the Charterers of such failure and requesting that payment is made; or
 - (ii) Save in circumstances where requisition for hire or compulsory requisition result in termination of insurances for the Vessel, if either (A) the Charterers shall fail at any time to effect or maintain any insurances required to be effected and maintained under this Charter, or any insurer shall avoid or cancel any such insurances (other than where the Charterers proved that the relevant avoidance or cancellation results from an event or circumstance outside the reasonable control of the Charterers and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within seven (7) days of such avoidance or cancellation) or the Charterers shall commit any breach of or make any misrepresentation in respect of any such insurances the result of which the relevant insurer avoids the policy or otherwise excuses or releases itself from all or any of its liability thereunder, or (B) any of the said insurances shall cease for any reason whatsoever to be in full force and effect (other than where the Charterers proved that the reason in question is outside the reasonable control of the Charterer and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within seven (7) days of such cease); or

- (iii) if the Charterers shall at any time fail to observe or perform any of their material obligations under this Charter, other than those obligations referred to in sub-clause (i) or sub-clause (ii) of this Clause 41(a), and such failure to observe or perform any such obligation is either not remediable or is remediable but is not remedied within thirty (30) days of receipt by the Charterers of a written notice from the Owners requesting remedial action; or
- (iv) if any material representation or warranty by the Charterers in connection with this Charter or in any document or certificate furnished to the Owners by the Charterers in connection herewith or therewith shall prove to have been untrue, inaccurate or misleading in any material respect when made (and such occurrence continues unremedied for a period of thirty (30) days after receipt by the Charterers of written notice from the Owners requesting remedial action): or
- (v) if a petition shall be presented (and not withdrawn or stayed within sixty (60) days) or an order shall be made or an effective resolution shall be passed for the administration or winding-up of the Charterers (other than for the purpose of a reconstruction or amalgamation during and after which the Charterers remain solvent and the terms of which have been previously approved in writing by the Owners which approval shall not be unreasonably withheld) or if an encumbrancer shall take possession or an administrative or other receiver shall be appointed of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers shall be appointed (and, in any such case, such possession is not given up or such appointment is not withdrawn within sixty (60) days) or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation, or
- (vi) if the Charterers shall stop payments to all of its creditors or shall cease to carry on or suspend all or a substantial part of their business or shall be unable to pay their debts, or shall admit in writing their inability to pay their debts, as they become due or shall otherwise become or be adjudicated insolvent; or
- (vii) if the Charterers shall apply to any court or other tribunal for, a moratorium or suspension of payments with respect to all or a substantial part of their debts or liabilities, or

- (viii) (A) if the Vessel is arrested or detained (other than for reasons solely attributable to the Owners or to those for whom, for the purposes of this provision, the Owners shall be deemed responsible, including without limitation, any legal person who, at the date hereof or at any time in the future is affiliated with the Owners) and such arrest or detention is not lifted within thirty (30) days (or such longer period as the Owners shall reasonably agree in writing in the light of all the circumstances) ; or
 - (B) if a distress or execution shall be levied or enforced upon or sued out against all or any substantial part of the property or assets of the Charterers and shall not be discharged or stayed within thirty (30) days; or
 - (ix) if any consent, authorization, license or approval necessary for this Charter to be or remain the valid legally binding obligations of the Charterers, or to the Charterers to perform their obligations hereunder or thereunder, shall be materially adversely modified or is not granted or is revoked, suspended, withdrawn or terminated or expires and is not renewed (provided that the occurrence of such circumstances shall not give rise to a Termination Event if the same are remedied within thirty (30) days of the date of their occurrence); or
 - (x) if (a) any legal proceeding for the purpose of the reconstruction or rehabilitation of the Charterers is commenced and continuing in any jurisdiction and (b) the Owners receive a termination notice from the receiver, trustee or others of the Charterers which informs the termination/rejection of the Charter pursuant to the relevant laws, codes and regulations applicable to such proceeding.
- (b) Any Termination Event shall constitute (as the case may be) either a repudiatory breach of, or breach of condition by the Charterers under, this Charter or an agreed terminating event the occurrence of which will (in any such case) entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel under this Charter and recover the amounts provided for in Clause 42(c) either as liquidated damages or as an agreed sum payable on the occurrence of such event.

42. OWNERS' RIGHTS ON TERMINATION

- (a) At any time after a Termination Event shall have occurred and be continuing, the Owners may, by notice to the Charterers immediately, or on such date as the Owners shall specify, terminate the chartering by the Charterers of the Vessel under this Charter, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners. For the avoidance of doubt, in case of the termination of the Charter in accordance with 41 (a) (x) hereof, the Charter shall be deemed to be terminated upon receipt by the Owners of the termination notice set forth in Clause 41 (a) (x) hereof.
- (b) On or at any time after termination of the chartering by the Charterers of the Vessel pursuant to Clause 42(a) hereof the Owners shall be entitled to retake possession of the Vessel in accordance with Clause 29 hereof, the Charterers hereby agreeing that the Owners, for that purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located.
- (c) If the Owners pursuant to Clause 42(a) hereof give notice to terminate the chartering by the Charterers of the Vessel, the Charterers shall pay to the Owners on the date of termination (the "**Termination Date**"), the aggregate of (A) all hire due and payable, but unpaid, under this Charter to (and including) the Termination Date together with interest accrued thereon pursuant to Clause 36(d) hereof from the due date for payment thereof to the Termination Date, (B) any sums, other than hire, due and payable by the Charterers, but unpaid, under this Charter together with interest accrued thereon pursuant to Clause 36(d) to the Termination Date and (C) any actual direct financial loss suffered by the Owners which direct loss shall be determined as the shortfall, if any, between (a) the current market value of the Vessel (average value as estimated, at the Charterers' expense by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S. (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Owners and Charterers may agree in writing from time to time) and (b) the Remaining Purchase Option Price (as defined in Clause 49.2 hereof) at any given time always taking into account any charterhire paid during the year to which the specified Remaining Purchase Option Price relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Remaining Purchase Option Price, then the Owners shall pay the amount of such excess to the Charterers forthwith. The aggregate of (A), (B) and (C) above shall hereinafter be referred to as the "**Termination Compensation**").

- (d) If the Charter is terminated in accordance with this Clause 42 the Charterers shall immediately redeliver the Vessel at a safe and ice-free port or place as indicated by the Owners. The Vessel shall be redelivered to the Owners in substantially the same condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.
- (e) The Owners agree that if following termination of the Charter under this Clause, the Owners sell or otherwise transfer the Vessel to a third party, or enter into any other arrangement with a third party with an option to purchase the Vessel, then the Owners shall pay to the Charterers after that sale (i) the amount of the greater of (a) the sale price and (b) the market value of the Vessel at such sale/transfer/arrangement date less (ii) the aggregate of the unpaid Termination Compensation and the Remaining Purchase Option Price (as defined in Clause 49.2) which would be payable by the Charterers as set out in Clause 49 as at the date of such sale.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour or the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 49 hereof.

The Owners have the right to register a first preferred mortgage on the Vessel in favour of the Mortgagee (THE HIROSHIMA BANK, LTD.) securing a loan under the Loan Agreement under standard mortgages and security documentation. In which case, the Owners undertake to procure from the Mortgagee a Letter / Agreement of Quiet Enjoyment in a form and substance reasonably acceptable to the Charterers.

The Charterers agree to sign an acknowledgement of the Owners' charterhire assignment or any other comparable document reasonably required by the Mortgagee, in favour of the Mortgagee. During the course of the Charter the Owners have the right to register a substitute mortgage in favour of another bank provided such registration is effected in a similar amount to the loan amount outstanding with the Mortgagee at that time and only if such substitute mortgagee executes a Letter / Agreement of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form reasonably acceptable for the Charterers. The Charterers will then agree to sign a charterhire assignment in favour of the substitute mortgage in a form as shall be agreed by the Charterers, which agreement not be unreasonably withheld. Any cost incurred by the Charterers shall be for Owners' account.

Subject to the term and conditions of this Charter, the Charterers also agree that the Owners have the right to assign its rights, title and interest in and to the insurances by way of assignment of insurance in respect of the Vessel to and in favour of the Assignee in a form and substance reasonably acceptable to Charterers and the Assignee.

Owners shall procure that exercise and/or enforce of any mortgage and charterhire assignment which might interfere with or prejudice or adversely affect the Charterer's use of the Vessel or other right of the Charterer under this Charter (including the purchase option of the Vessel) shall be subject to the terms and conditions of the Letter/Agreement of Quiet Enjoyment.

In the event that the Owners execute security of any nature (including but not limited to any mortgage, assignment of insurances) over the Vessel then the Owners hereby undertake and agree as a condition of this Charter to procure that the beneficiary of such security executes in favour of the Charterers a letter / agreement of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and exercise and/or enforce of the beneficiary's rights thereunder is subject to the agreement of a letter / agreement of Quiet Enjoyment before or after delivery of the Vessel.

45. REDELIVERY INSPECTION

Prior to redelivery under Clause 42 hereof and without interference to the operation of the Vessel, the Owners, at their risk and expense, shall have the right provided that such right is declared at least 20 days prior to the expected redelivery date to carry out an underwater inspection of the Vessel by Class approved diver and in the presence of Class surveyor and Owners' and Charterers' representatives. Should any damages in the Vessel's underwater parts be found that will impose a condition or recommendation of Vessel's class then:

- a) In case Class imposes a condition or recommendation of class that does not require drydocking before next scheduled drydocking. Charterers shall pay to Owners the estimated cost to repair such damage in way which is acceptable to Class, which to be direct cost to repair such damage only, as per average quotation for the repair work obtained from two reputable independent shipyards at or in the vicinity of the redelivery port, one to be obtained by Owners and one by Charterers within 2 banking days from the date of imposition of the condition/recommendation unless the parties agree otherwise.
- b) In case Class require Vessel to be drydocked before the next scheduled drydocking the Charterers shall drydock the Vessel at their expense prior to redelivery of the Vessel to the Owners and repair same to Class satisfaction.

In such event the Vessel shall be redelivered at the port of the dockyard.

46. REDELIVERY

The Charterers shall redeliver to the Owners the Vessel with everything belonging to her at the time of redelivery including spare parts on board, used or unused subject to the Clause 38 hereof. The Owners shall take over and pay the Charterers for remaining bunkers and unused lubricating oils including hydraulic oils, and greases, unbroached provisions, paints, ropes and other consumable stores as per Clause 53 at the Charterers' purchased prices with supporting vouchers. For the purpose of this clause, the Charterers shall withhold the Hire two last hire payments (the "Withheld Hire") and shall offset the cost of bunkers, unused lubricating oils and unbroached provisions etc., remaining on board at the time of redelivery from the Withheld Hire. If the Withheld Hire is not sufficient to cover the cost of bunkers, unused lubricating oils, and unbroached provisions etc. the Owners shall settle the outstanding amount within 3 Singapore banking days after redelivery of the Vessel.

Personal effects of the Master, officers and crew including slop chest, hired equipment, if any and the following listed items are excluded and shall be removed by the Charterers prior to or at the time of redelivery of the Vessel:

- E-mail equipment not part of GMDSS
- Gas bottles
- Electric deck air compressor
- Blasting and painting equipment
- Videotel (or similar) film library

47. MORTGAGE NOTICE

The Charterers and place and keep prominently displayed in the chart room, master's cabin, and engine room of the Vessel a framed printed notice in plain type reading as follows:

"NOTICE OF SHIP MORTGAGE"

"This Vessel is covered by a First Preferred Ship Mortgage given to THE HIROSHIMA BANK, LTD., a banking corporation duly organized and existing under the laws of Japan, having its head office at 3-8 Kamiya-cho 1-chome, Naka-ku, Hiroshima City, Hiroshima-Pref., Japan, acting through its Imabari Office at 1-13, Muroya-cho 1-chome, Imabari City, Ehime-Pref., Japan, its successors and assigns under the authority of the laws of the Republic of Panama. Under the terms of said Mortgage, neither the owner of this Vessel, any charterer, the Master of this Vessel, nor any other person has any right, power or authority to create, incur or permit to be imposed upon the Vessel any liens, maritime or otherwise, other than the lien of said Mortgage and liens for crew's wages or salvage.";

48. SALE OF VESSEL BY OWNERS

1. The Owners have the right to sell the Vessel to a reputable third party (“**Purchaser**”) at any time during the Charter Period with the prior written consent of the Charterers and provided that (i) the Purchaser agrees to take over the benefit and burden of this Charter, (ii) such ownership change does not result in any reflagging of the Vessel, (iii) such ownership change does not result in the Charterers being obliged to increase any payment under this Charter, (iv) such ownership change does not increase the actual or contingent obligations of the Charterers under this Charter, and (v) the Charterers shall not be liable for the costs and expenses (including legal fees) incurred in the sale of the Vessel by the Owners under this Clause 48.
2. The Owners shall give the Charterers at least one month’s prior written notice of any sale.
3. Subject to 48.1, the Charterers and Owners undertake with each other to execute one or more novation agreements (or other documents required under applicable law) to novate the rights and obligations of the Owners under this Charter to the Purchaser such novation agreement(s) or other documents to be in such form and substance acceptable to the Charterers and such novation will be effective upon delivery of the Vessel from the Owners to the Purchaser.”

49. CHARTERERS’ OPTION TO PURCHASE VESSEL

1. Charterers to have purchase option at the end of 8th Year of the Charter Period at a price of USD3,600,000.—(the “**Final Purchase Option Price**”); however, Charterers to have purchase option to purchase the Vessel at the end of 4th year anniversary date of the Delivery Date at USD12,000,000 net (the “**First Purchase Option Price**”) subject to Charterers declaration 3 months before such date.

2. Charterers further have an option to purchase, such purchase being declared at any time through the remaining period at the following price or pro-rata de-escalation until the maturity of the Charter Period (the “**Subsequent Purchase Option Price**”).

At end of 4th year :	USD 12,000,000
At end of 5th year :	USD 9,900,000
At end of 6th year :	USD 7,800,000
At end of 7th year :	USD 5,700,000
At end of 8th year :	USD 3,600,000

(The purchase option price of the Vessel to be calculated in accordance with Clause 49.1 and 49.2 hereof, whether the Final Purchase Option Price or the First Option Price or the Subsequent Purchase Option Price, hereinafter called the “**Remaining Purchase Option Price**”).

3. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 49.4) the Parties shall execute a Protocol of Redelivery and Acceptance under this Charter (the “**Redelivery Protocol**”) and save in respect of any claims accrued under this Charter prior to the date and time of the Redelivery Protocol, this Charter shall terminate forthwith.
4. Upon the date of any written notification by the Charterers to the Owners of their intention to purchase the Vessel, the Owners and the Charterers shall be deemed to have unconditionally entered into a contract to sell and purchase the Vessel for the Remaining Purchase Option Price on and in strict conformity with the terms and conditions contained in the Memorandum of Agreement attached to this Charter as Exhibit A (the “**PO MOA**”).

50. MISCELLANEOUS

- (a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.
- (b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.
- (c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.
- (d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.
- (e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

51. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

- (i) in the case of the Owners c/o Okouchi Kaiun Co., Ltd.
 - Address : 2264-35, Namikata, Namikata-cho, Imabari City,
Ehime Prefecture 799-2101, Japan
 - Telephone : +81-898-41-9318
 - Telefax : +81-898-43-0674
 - E-mail : okouchi@lime.ocn.ne.jp

(ii) in the case of the Charterers c/o Navios Shipmanagement Inc.
Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com

(iii) in the case of the Brokers c/o ITOCHU Corporation
Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2999
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

52. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 without consent of the Owners provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

53. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery under this Charter and again on redelivery of the Vessel under Clause 42 hereof.

The Owners shall at the time of redelivery under Clause 42 hereof take over and pay for all remaining bunkers, unused lubricating oil (for avoidance of any doubts, the lubricant oil in the machinery is included), unbroached provisions, paints, ropes and other unused consumable stores (excluding spare parts) in the said Vessel at the Charterers' purchased prices with supporting vouchers, provided that this payment shall be off-set against the Owner's claim under Clause 42 to the extent the sum equivalent to such payment. However, the Charterers shall not pay to the Owners at time of delivery for any bunkers, lubricating oil, provisions, paints, ropes and consumable stores which the Charterers have supplied to the Vessel at the Charterers' expense prior to delivery. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

54. INDEMNITY FOR POLLUTION RISKS

The Charterers shall indemnify the Owners against the following Pollution Risks:-

- (a) liability for damages or compensation payable to any person arising from pollution;
- (b) the costs of any measures reasonably taken for the purpose of preventing, minimizing or cleaning up any pollution together with any liability for losses or damages arising from any measures so taken;
- (c) liability which the Owners and/or the Charterers may incur, together with costs and expenses incidental thereto, as the result of escape or discharge or threatened escape discharge of oil or any other substance;
- (d) the costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority for the purpose of preventing or reducing pollution or the risk of pollution; provided always that such costs or liabilities are not recoverable under the Hull and Machinery Insurance Policies on the Vessel;

- (e) liability which the Owners and/or the Charterers may incur to salvors under the exception to the principal of “no cure-no pay” in Article 1 (b) of Lloyds Standard Form of Salvage Agreement (LOF 1990); and
- (f) liability which the Charterers may incur for the payment of fines in respect of pollution in so far as such liability may be covered under the rules of the P&I Club.

55. TRADE AND COMPLIANCE CLAUSE

The Charterers and the Owners hereby agree that no person/s or entity/ies under this Charter will be individual(s) or entity(ies) designated under any applicable national or international law imposing trade and economic sanctions including sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleet under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Japan or United States of America (collectively, the “Sanctions”).

Further, the Charterers and the Owners agree that the performance of this Charter will not require any action prohibited by sanctions or restrictions under any applicable Sanctions.

Further to the above, Charterers shall take reasonable steps to confirm that at the date of this Charter Party and throughout the duration thereof, any sub-charterer of the Vessel (who is directly contracting with the Charterer in respect of the Vessel at any relevant time), the managers of the Vessel and the Vessel are not a sanctioned party/vessel under the Sanctions.

56. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contractors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

(end)

'BARECON 2001' STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker
ITOCHU CORPORATION
TOKBR Section, 5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077, Japan
2. Place and date
In New York, U.S.
30th November, 2021
3. Owners / Place of business (Cl. 1)
K.T.M. Corporation S.A. guaranteed by Kawana Kaiun Co., Ltd.
of Japan
K.T.M. Corporation S.A. address as follows:
15th Floor, Banco General Tower, Aquilino de la Guardia Street,
Marbella, Panama City, Republic of Panama
4. Bareboat Charterers / Place of business (Cl. 1)
Pueblo Holdings Ltd.
Trust Company Complex, Ajeltake Road, Ajeltake Island,
Majuro, MH96960, Marshall Islands
5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3)
M/V NAVIOS LUMEN, 3E2S3, Panama, 9500637
6. Type of Vessel
Bulk Carrier
7. GT / NT
94,817/58,778
8. When / Where built
2009, STX Offshore & Shipbuilding Co., Ltd.
9. Total DWT (abt.) in metric tons on ~~summer freeboard~~
180,660 MT
10. Classification Society (Cl. 3)
Bureau Veritas (BV)
11. Date of last special survey by the Vessel's classification society
March 8th, 2020
12. ~~Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)~~
Cargoes to be carried; All lawful cargoes within the Vessel's capabilities/Class, IMO, flag, her insurance
13. Port or Place of delivery (Cl.3)
As per Clause 5 of the MOA (as defined in Clause 1 hereof)
14. Time for delivery (Cl.4)
As per Clause 5 of the MOA
15. Cancelling date (Cl.5)
N/A
See Also Clause 32.
16. Port or Place of redelivery (Cl. 3)
N/A
17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)
Minimum 3 months
18. Running days' notice if other than stated in Cl.4
N/A
19. Frequency of dry-docking Cl. 10(g)
As per Classification Society and flag state requirements
20. Trading Limits (Cl.6)
Trading Limits: always safely afloat world-wide within International Navigation Conditions with the Charterer's option to break same paying extra insurance, but always in accordance with Clause 13 and 40.
Any other country designated pursuant to any international (including U.N. / U.S. / EU / UK) or supranational law or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter Period) to be excluded.
21. Charter Period (Cl. 2)
Eight (8) years with up to 3 months more or less in Charterers' option
(See Clause 34)
22. Charter hire (Cl. 11)
See Clause 35
23. New class and other statutory requirements (state percentage of Vessel's insurance value acc. to Box 29 (Cl. 10(a)(ii))
N/A
24. Rate of interest payable acc. to Cl.11(f) and, if applicable, acc. to PART IV
N/A
25. Currency and method of payment (Cl.11)
United States Dollars payable calendar monthly in advance
26. Place of payment; also state beneficiary and bank account (Cl. 11)
27. Bank guarantee / bond (sum and place) (Cl. 24 (optional))

To be advised

28. Mortgage(s), if any (state whether Cl. 12(a) or (b) applies; if 12(b) applies, state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)
See Clause 44
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
N/A
32. Latent defects (only to be filled in if period other than stated in Cl.3)
N/A
34. Grace period (state number of clear banking days) (Cl. 28)

See Clause 41

36. War cancellation (indicate countries agreed) (Cl. 26(f))
N/A
37. Newbuilding Vessel (indicate with 'yes' or 'no' whether PART III applies) (optional)
No
39. Vessel's Yard Building No. (only to be filled in if PART III applies)
No
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1)
a) N/A
b) N/A
c) N/A

42. Hire/Purchase agreement (indicate with 'yes' or 'no' whether PART IV applies) (optional)
N/A
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)
See Clause 37

46. Number of additional clauses covering special provisions, if agreed

Clause 32 to 55 inclusive

PREAMBLE—It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

N/A

29. Insurance (hull and machinery and war risks) (state value acc. to Cl.13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl.14 applies)
See Clause 40
31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
See Clause 40 (c)
33. Brokerage commission and to whom payable (Cl.27)
N/A
35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed, Place of Arbitration must be stated (Cl. 30)

London

38. Name and place of Builders (only to be filled in if PART III applies)
N/A
40. Date of
N/A

43. Bareboat Charter Registry (indicate with 'yes' or 'no' whether PART IV applies) (optional)
Yes in Charterers' option

45. Country of the Underlying Registry (only to be filled in if PART V applies)

Signature (Owners)
K.T.M. Corporation S.A.

/s/ Tomoyuki Kawana
By: Tomoyuki Kawana
Title: Attorney-in-fact

Signature (Charterers)
Pueblo Holdings Ltd.

/s/ Georgia Panagaios
By: Georgia Panagaios
Title: Attorney-in-fact

PART II
“BARECON 2001” Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

“The Owners” shall mean the party identified in Box 3;

“The Charterers” shall mean the party identified in Box 4;

“The Vessel” shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12;

“Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

“MOA” means the Memorandum of Agreement entered into between the Owners as buyers and the Charterers as Sellers dated 30th November 2021 in respect of the Vessel.

“Banking Days” shall mean the days identified in Cl.36 (b)

“Total Loss” shall mean the situation identified in Cl.40 (a)

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (the “Charter Period”).

3. Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

(not applicable when PART III applies, as indicated in Box 37)

(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 in such ready safe berth as the Charterers may direct.

(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.

(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners’ obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.

4. Time for Delivery See Clause 32

(not applicable when PART III applies, as indicated in Box 37)

The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers’ consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.

Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days’ preliminary and not less than fourteen (14) running days’ definite notice of the date on which the Vessel is expected to be ready for delivery.

The Owners shall keep the Charterers closely advised of possible changes in the Vessel’s position.

(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners’ notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.

(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners’ prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

(not applicable when PART III applies, as indicated in Box 37)

The Owners and Charterers have the right of shall each appointing surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of ~~delivery~~ redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.

8. Inspection

The Owners shall have the right maximum twice per year (and more time in the case of necessity) ~~maximum twice per year~~ at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf: - **provided it does not interfere with the operation of the Vessel and/or crew**

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners, unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;

(b) in dry dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and

5. Cancelling

(not applicable when PART III applies, as indicated in Box 37)

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

PART II
“BARECON 2001” Standard Bareboat Charter

(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.

The Charterers shall also permit the Owners to inspect the Vessel's log books maximum twice per year (and more time in the case of Necessity) ~~maximum twice per year~~ whenever reasonably requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores SEE CLAUSE 52

~~A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel. SEE ALSO CLAUSE 32~~

10. Maintenance and Operation

(a)(i) Maintenance and Repairs - During the Charter period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall **exercise due diligence** to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and; ~~except as provided for in Clause 14(1);~~ if applicable, at their own expense, they shall at all times keep the Vessel's Class **unexpired fully up to date** with the Classification Society indicated in Box 10 maintain all other necessary certificates in force at all times.

(ii) New Class and Other Safety Requirements ~~In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter, shall in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30. SEE CLAUSE 38~~

(iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, ~~even if for any reason appointed by the Owners.~~

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.

(d) Flag and Name of Vessel

~~During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and de-registration, if required by the Owners, shall be at the Charterers' expense and time. SEE CLAUSE 37 & 43~~

(e) Changes to the Vessel - ~~Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter. SEE CLAUSE 38~~

(f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in **substantially** the same ~~good order~~ and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period **unless agreed otherwise by the Owners and the Charterers.** ~~if requested by the Owners.~~ Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not

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“BARECON 2001” Standard Bareboat Charter

less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.

11. Hire SEE CLAUSE 35

~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.~~

~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.~~

~~(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.~~

~~(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days remaining before redelivery and advance payment to be effected accordingly.~~

~~(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.~~

~~(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) of the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent, shall apply.~~

~~(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.~~

12. Mortgage SEE CLAUSE 44

(only to apply if Box 28 has been appropriately filled in)

*~~(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

*~~(b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld. (Optional, Clauses 12 (a) and 12 (b) are alternatives; indicate alternative agreed in Box 28).~~

and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) **in underwriter's standard form as the Owners have received, reviewed and shall in writing approve, which approval shall not be unreasonably withheld.** ~~in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld.~~ Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. ~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be **reasonably** required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause. SEE CLAUSE 40~~

(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

~~(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29. SEE CLAUSE 40~~

14. Insurance, Repairs and Classification N/A

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

~~During the Charter Period the Vessel shall be kept insured by the Owners at their expenses against hull and machinery and war risks under the form of policy or~~

13. Insurance and Repairs SEE CLAUSE 40

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull

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“BARECON 2001” Standard Bareboat Charter

policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery ALSO SEE CLAUSE 46

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe berth or anchorage at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 5 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in substantially the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien ALSO SEE CLAUSE 47

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

'This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.'

17. Indemnity ALSO SEE CLAUSE 54

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

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(b) If the Vessel be arrested or otherwise detained by reason of a claims or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve. ~~Such Owners' prior consent shall not be required provided that the Vessel remains at all times under the management of Navios Shipmanagement Inc. or an affiliate of Navios Shipmanagement Inc.~~

~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter. SEE CLAUSE 48~~

23. Contracts of Carriage

*) (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

*) ~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

*) *Delete as applicable.*

24. Bank Guarantee

25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)/(b)

(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire")

irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.

(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority, **which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title** (hereinafter referred to as 'Compulsory Acquisition'), then, ~~irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur,~~ this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition", **but not thereafter.**

26. War

(a) For the purpose of this Clause, the words 'War Risks' shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

~~(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous or is likely to be or to become dangerous, after the entry into it, the Owners shall have the right to require the Vessel to leave such area.~~

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.~~

(Optional, only to apply if Box 27 filled in)

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.

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- (e) The Charterers shall have the liberty:
- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions’
- (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
- (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

~~(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People’s Republic of China; (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

27. Commission

The Owners to pay a commission at the rate indicated in ~~Box 33~~ to the Brokers named in ~~Box 33~~ on any hire paid under the Charter. If no rate is indicated in ~~Box 33~~, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year’s hire.

28. Termination

(a) Charterer’s Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

- (i) the Charterers fail to pay hire in accordance with Clause 11. — However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners’ notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the

number of days stated in Box 34 of their receiving the Owners’ notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

- (ii) the Charterers fail to comply with the requirements of:

(1) ~~Clause 6 (Trading Restrictions)~~

(2) ~~Clause 13(a) (Insurance and Repairs)~~ provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners’ right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

- (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel’s insurance cover is not prejudiced.

SEE CLAUSE 41 & 42

(b) Owners’ Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. **SEE CLAUSE 40 (d)/(e)**

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangements or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall

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hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners’ representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers’ Master, officers and crew shall be the sole responsibility of the Charterers.

30. Dispute Resolution

- *) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

- *) ~~(b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final; and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

- *) ~~(c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.~~

~~In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-~~

~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the “Mediation Notice”) (calling on the other party to agree to mediation.~~

~~(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the “Tribunal”) or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~

~~(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

~~(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~

~~(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedures shall continue during the conduct of the mediation by the Tribunal may take the mediation timetable into account when settling the timetable for steps in the arbitration.~~

~~(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator’s costs and expenses.~~

~~(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.~~

~~(Note: the parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

~~(e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.~~

- *) Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

31. Notices SEE CLAUSE 50

(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

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PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1. Specifications and Shipbuilding Contract

(a) The Vessel shall be constructed in accordance with the Building Shipbuilding Contract (hereafter called “the Shipbuilding Building Contract”) as annexed to this Charter, made between the Builders and the Sellers Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.

(b) No change shall be made in the Shipbuilding Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid without the Charterers’ consent.

(c) The Charterers shall have the right to send their representative to the Builders’ Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel’s performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners’ liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery — SEE CLAUSE 33

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders’ Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract, the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of the Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders; **SEE CLAUSE 33**

(iv) if this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. Guarantee Works — SEE CLAUSE 32

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the Shipbuilding building Contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. Name of Vessel — SEE CLAUSE 44

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery — SEE CLAUSE 46

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.

Without prejudice to Clause 15 (PART II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

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PART IV

HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to PART I and II as well as PART III, if applicable, it is agreed that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expense connected with the purchase and registration under Buyers' flag shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalised, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc) as well as all plans which may be in Sellers' possession.

The wireless installation and nautical instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract, and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers, and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (PART II) or to pay the equivalent cost of their journey to any other place.

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PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

“The Bareboat Charter Registry” shall mean the registry of the state whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. Mortgage – See Clause 44

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (PART II) shall apply.

3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

to

the Bareboat Charter Party dated 30th November, 2021 (this “Charter”) by

K.T.M. Corporation S.A. guaranteed by Kawana Kaiun Co., Ltd. as owner (the “Owners”) and

Pueblo Holdings Ltd. as charterer (the “Charterers”)

in respect of MV “Navios Lumen” (the “Vessel”)

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel’s condition at the time of delivery, and expressly agree that the Vessel’s condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly “as is/where is”, and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the “company” (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the “Company” to comply with the ISM code shall be for the Charterers’ account.

34. CHARTER PERIOD

- (a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.
- (b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the “**Charter Period**”) shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of Eight (8) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the “**Delivery Date**”) with up to three (3) months more or less in the Charterers’ option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40.

35. CHARTER HIRE

The Charterers shall, throughout the Charter Period, pay charter hire (“**Charter Hire**”) to the Owners monthly in advance at the agreed following rate by telegraphic transfer for each successive period of a month commencing with the Delivery Date and with subsequent installments at monthly intervals after the date of payment of such first installment by and until the redelivery of the Vessel. Time is of the essence for payment of the Charter Hire under this Charter.

1st – 4th Year	USD 7,500 / day
5th – 8th Year	USD 7,350 / day

No address commission.

36. PAYMENTS

- (a) Notwithstanding anything to the contrary contained in this Charter, all payments by the Charterers hereunder (whether by way of hire or otherwise) shall be made as follows:-
- (i) not later than 11:00 a.m. (New York time) on one Banking Day prior to the date on which the relevant payment is due under the terms of this Charter: and
 - (ii) in United States Dollars to THE HIROSHIMA BANK, LTD. (or such other bank or banks as may from time to time be notified by the Owners to the Charterers by not less than fourteen (14) days' prior written notice) for the account of the Owners .
- (b) If any day for the making of any payment hereunder shall not be a Banking Day (being, for all purposes of this Charter, a day on which banks are open for transaction of business of the nature required by this Charter in Japan, Piraeus/Greece, London and New York) the due date for payment of the same shall be the immediately preceding Banking Day.
- (c) Subject to the terms of this Charter, the Charterers' obligation to pay hire in accordance with the requirements of Clause 35 and this Clause 36 and to pay certain amount of insurance benefit pursuant to Clause 40 (e) and to pay the Termination Compensation pursuant to Clause 42 shall be absolute irrespective of any contingency whatsoever, including (but not limited to) (i) any failure or delay on the part of any party hereto or thereto, whether with or without fault on its part, other than the Owners, in performing or complying with any of the terms or covenants hereunder, (ii) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against the Owners or the Charterers or any change in the constitution of the Owners or the Charterers or any other person, (iii) any invalidity or unenforceability or lack of due authorization of or other defect in this Charter, or (iv) any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter.
- (d) In the event of failure by the Charterers to pay on the due date for payment thereof under this Charter, or in the case of a sum payable on demand, within ten (10) Banking Days of the date of demand, any hire or other amount payable by them under this Charter, the Charterers shall pay to the Owners on demand interest on such hire or other amount from (and including) the date of such failure to (and including) the date of actual payment (both before and after any relevant judgment or winding up of the Charterers) at the rate to be the aggregate of (i) two & one-half per centum

(2½ %) and (ii) the London Interbank Offered Rate for US Dollar deposits of not more than one month's duration (as selected by the Owners or their funders in the light of the likely duration of the default in question) (as such rate is from time to time quoted by leading banks in the London Interbank Market).

- Interest payable by the Charterers as aforesaid shall be compounded at such intervals as the Owners shall determine and shall be payable on demand.
- (e) Any interest payable under this Charter shall accrue from day to day and shall be calculated on the actual number of days elapsed and a three hundred and sixty (360) day year.
- (f) In this Charter, unless the context otherwise requires, "month" means a period beginning in one calendar month (and, in the case of the first month, on the date of delivery hereunder) and ending in the succeeding calendar month on the day numerically corresponding to the day of the calendar month in which such period started provided that if there is no such numerically corresponding day, such period shall end on the last day in the relevant calendar month and "monthly" shall be construed accordingly.

37. FLAG AND CLASS

- (a) The Vessel shall upon the Delivery Date be registered in the name of the Owners under the Panamanian flag.
- (b) The Owners shall have no right either to transfer the flag of Vessel from Panama to any other registry or to require the Charterers to transfer the Vessel's classification society. The Charterers shall, at any time after the Delivery Date and at the Charterers' expense, have the right to transfer the Vessel's classification society from American Bureau of Shipping (ABS) to any other classification society at least equivalent to ABS.
- (c) Further, in the event that the Charterers need to change the flag of the Vessel, the Charterers can change the flag with the Owner's consent, which should not be unreasonably withheld, provided however that any expenses and time (including but not limited to legal charges for finance documents for the Mortgagee) shall be for the Charterers' account.
- (d) Subject to the Charterers' supplying the standard de-registration agreement reasonably satisfactory to the Mortgagee and with the prior written consent of the Owner which shall not be unreasonably withheld, the Charterers are entitled to establish the standard bareboat registration on the Vessel at the costs, expense and time of the Charterers.

- (e) If during the Charter Period there are any modifications, improvements, structural changes or new equipment made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations and/or new requirements (including but not limited to IMO) to which operation of the Vessel is required to conform, the cost, time and risk relating to such modifications shall be for the account of the Charterers.
- (f) All operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for Charterers account. However, the Owners' financing cost and cost for registration and discharge of their mortgage and other security documents in respect of the Vessel would be for Owners account, and Owners and Charterers shall equally bear initial registration cost to Vessel's flag under Owners' name. For the bareboat charter and the sale of the vessel, each party should bear its own costs.

38. IMPROVEMENT AND ADDITIONS

The Charterers shall have the right to fit additional equipment and to make severable improvements and additions at their expense and risk. Such additional equipment, improvements and additions shall be removed from the Vessel without causing any material damage to the Vessel (any such damage being made good by the Charterers at their time and expense) provided however that the Charterers shall redeliver the Vessel without removing such additional equipment, improvements and additions if the Owners consent to such non-removal before the redelivery.

The Charterers shall also have the right to make structural or non-severable improvements and additions to the Vessel at their own time, costs and expense and risk provided that such improvements and additions do not diminish the market value of the Vessel and are not likely to diminish the market value of the Vessel during or at the end of the Charter Period and do not in any way affect or prejudice the marketability or the useful life of the Vessel and are not likely to affect or prejudice the marketability or the useful life of the Vessel during or at the end of the Charter Period.

39. UNDERTAKING

The Charterers undertake and agree that throughout the Charter period they will:-

- (a) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any Termination Event (or event of which they are aware which, with the giving of notice and/or lapse of time or other applicable condition, would constitute a Termination Event);
- (b) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any accident to the Vessel involving repairs the cost of which will or is likely to exceed US Dollars Five Hundred Thousand (US\$500,000.00-) or the equivalent in any other currency;
- (c) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any occurrence in consequence whereof the Vessel has become or is likely to become a Total Loss (as defined in Clause 40 (e) hereof) or the Compulsory Acquisition (as defined in Clause 25 (b) hereof); or
- (d) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any capture, seizure, arrest or detention of the Vessel or requisition for use or hire of the Vessel; or
- (e) supply to the Owners copies of the survey reports issued in respect of such periodical or other surveys as may be required for classification purposes upon requests; or
- (f) provide reasonable documents relating to cargo carried on board the Vessel upon requests in connection with sanction diligence only

40. INSURANCE, TOTAL LOSS AND COMPULSORY ACQUISITION

- (a) For the purposes of this Charter, the term "Total Loss" shall include actual or constructive or compromised or agreed or arranged total loss of the Vessel including any such total loss as may arise during a requisition for hire. "Compulsory Acquisition" shall have the meaning assigned thereto in Clause 25(b) hereof.
- (b) The Charterers undertake with the Owners that throughout the Charter Period:-
 - (i) they will keep the Vessel insured in underwriter's standard form as the Owners shall in writing approve, which approval shall not be unreasonably withheld, with such insurers (including P&I and war risks associations) as shall be reasonably acceptable to the Owners with deductibles reasonably acceptable to the Owners (it being agreed and understood by the Charterers that there shall be no element of self- insurance or insurance through captive insurance companies without the prior written consent of the Owners);

- (ii) they will be properly entered in and keep entry of the Vessel with P&I Club that is a member of the International Group of Protection and Indemnity Association for the full commercial value and tonnage of the Vessel and against all prudent P&I Risks in accordance with the rules of such association or club including, in case of oil pollution liability risks equal to the highest level of cover from time to time available under the basic entry with such P&I (but always a minimum of USD1,000,000,000.);
- (iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-
 - (a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

- (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
- (ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
- (iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.

- (b) During any periods when the Vessel is not mortgaged and the after the reassignment of the insurances from the Assignee to the Owners:
 - (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
 - (ii) All other recoveries not exceeding United States Dollars one million (US\$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
 - (iii) All other recoveries exceeding United States Dollars one million (US\$1,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever; and the Owners and Charterers agree to be bound by the above provisions.
- (iv) the Charterers shall procure that duplicates of all cover notes, policies, insurance slips and certificates of entry shall be furnished to the Owners for their custody upon each of the Delivery Date and renewal or change of the relevant insurances of the Vessel or upon reasonable demand by the Owners;
- (v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall
 - (A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.
 - (B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and

(vi) the Charterers shall procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners as soon as practicably possible prior written notification of any material amendment and seven (7) days with respect to suspension, cancellation or termination of the insurances in accordance with the underwriters' guidance and rules.

(c) Notwithstanding anything to the contrary contained in Clauses 13 and any other provisions hereof, the Vessel shall be kept insured during the Charter Period in respect of marine and war risks on hull and machinery basis (The Charterers shall have the option, to take out on a full hull and machinery basis increased value or total loss cover in an amount not exceeding thirty per centum (30%) of the total amount insured from time to time) for not less than the amounts specified in column (b) in the table set out below in respect of the one-yearly period during the Charter Period specified in column (a) (on the assumption that the first such period commences on the Delivery Date) against such amount (hereinafter referred to as the "**Minimum Insured Value**"):

(a) Year	(b) Minimum Insured Value
1	US\$ 20,900,000.-
2	US\$ 18,493,750.-
3	US\$ 16,087,500.-
4	US\$ 13,681,250.-
5	US\$ 11,275,000.-
6	US\$ 8,868,750.-
7	US\$ 6,462,500.-
8	US\$ 4,056,250.-

(d) (i) If the Vessel shall become a Total Loss or be subject to Compulsory Acquisition the Chartering of the Vessel to the Charterers hereunder shall cease and the Charterers shall:-

(A) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at and up to the date on which the Total Loss or Compulsory Acquisition occurred (the "Date of Loss") together with interest thereon at a rate reflecting the Owners'

reasonable cost of funds at such intervals, which amount to be agreed between the Owners and the Charterers and shall cease to be under any liability to pay any hire, but not any other amounts, thereafter becoming due and payable under this Charter, Provided that all hire and any other amounts prepaid by the Charterers subsequent to the Date of Loss shall be forthwith refunded by the Owners:

- (B) for the purposes of this sub-clause, the expression "relevant Minimum Insured Value" shall mean the Minimum Insured Value applying to the one-year period in which the Date of Loss occurs.

(ii) For the purpose of ascertaining the Date of Loss:-

- (A) an actual total loss of the Vessel shall be deemed to have occurred at noon (London time) on the actual date the Vessel was lost but in the event of the date of the loss being unknown the actual total loss shall be deemed to have occurred at noon (London time) on the date on which it is acknowledged by the insurers to have occurred:
- (B) a constructive, compromised, agreed, or arranged total loss of the Vessel shall be deemed to have occurred at noon (London time) on the date that notice claiming such a total loss of the Vessel is given to the insurers, or, if the insurers do not admit such a claim, at the date and time at which a total loss is subsequently admitted by the insurers or adjudged by a competent court of law or arbitration tribunal to have occurred. Either the Owners or, with the prior written consent of the Owners (such consent not to be unreasonably withheld), the Charterers shall be entitled to give notice claiming a constructive total loss but prior to the giving of such notice there shall be consultation between the Charterers and the Owners and the party proposing to give such notice shall be supplied with all such information as such party may request; and
- (C) Compulsory Acquisition shall be deemed to have occurred at the time of occurrence of the relevant circumstances described in Clause 25 (b) hereof.

- (e) All moneys payable under the insurance effected by the Charterers pursuant to Clauses 13 and 40, or other compensation, in respect of a Total Loss or pursuant to Compulsory Acquisition of the Vessel shall be received in full by the Owners (or the Mortgagees as assignees thereof) and applied by the Owners (or, as the case may be, the Mortgagees):-

FIRST, in payment of all the Owners' costs incidental to the collection thereof,

SECONDLY, in or towards payment to the Owners (to the extent that the Owners have not already received the same in full) of a sum equal to the aggregate of (i) unpaid but due hire and other moneys (if any) under this Charter and unpaid interest thereon up to and including the Date of Loss and (ii) the following termination sum or pro-rata de-escalation which shall be payable as at the Date of Loss, and

(a) Year	(b) Termination Sum
Delivery Date:	USD 20,400,000.-
At end of 1st year:	USD 18,300,000.-
At end of 2nd year:	USD 16,200,000.-
At end of 3rd year:	USD 14,100,000.-
At end of 4th year:	USD 12,000,000.-
At end of 5th year:	USD 9,900,000.-
At end of 6th year:	USD 7,800,000.-
At end of 7th year:	USD 5,700,000.-
At end of 8th year:	USD 3,600,000.-

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

- (f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. TERMINATION EVENTS

- (a) Each of the following events shall be a "Termination Event" for purposes of this Charter:-
- (i) if any installment of hire or any other sum payable by the Charterers under this Charter (including any sum expressed to be payable by the Charterers on demand) shall not be paid at its due date under this Charter or within ten (10) Banking Days of the date of demand and such failure to pay is not remedied within ten (10) Banking Days of receipt by the Charterers of written notice from the Owners notifying the Charterers of such failure and requesting that payment is made; or
 - (ii) Save in circumstances where requisition for hire or compulsory requisition result in termination of insurances for the Vessel, if either (A) the Charterers shall fail at any time to effect or maintain any insurances required to be effected and maintained under this Charter, or any insurer shall avoid or cancel any such insurances (other than where the Charterer proved that the relevant avoidance or cancellation results from an event or circumstance outside the reasonable control of the Charterers and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such avoidance or cancellation) or the Charterers shall commit any breach of or make any misrepresentation in respect of any such insurances the result of which the relevant insurer avoids the policy or otherwise excuses or releases itself from all or any of its liability thereunder, or (B) any of the said insurances shall cease for any reason whatsoever to be in full force and effect (other than where the Charterer proved that the reason in question is outside the reasonable control of the Charterer and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such cease); or
 - (iii) if the Charterers shall at any time fail to observe or perform any of their material obligations under this Charter, other than those obligations referred to in sub-clause (i) or sub-clause (ii) of this Clause 41(a), and such failure to observe or perform any such obligation is either not remediable or is remediable but is not remedied within thirty (30) days of receipt by the Charterers of a written notice from the Owners requesting remedial action; or

- (iv) if any material representation or warranty by the Charterers in connection with this Charter or in any document or certificate furnished to the Owners by the Charterers in connection herewith or therewith shall prove to have been untrue, inaccurate or misleading in any material respect when made (and such occurrence continues unremedied for a period of thirty (30) days after receipt by the Charterers of written notice from the Owners requesting remedial action): or
- (v) if a petition shall be presented (and not withdrawn or stayed within sixty (60) days) or an order shall be made or an effective resolution shall be passed for the administration or winding-up of the Charterers (other than for the purpose of a reconstruction or amalgamation during and after which the Charterers remain solvent and the terms of which have been previously approved in writing by the Owners which approval shall not be unreasonably withheld) or if an encumbrancer shall take possession or an administrative or other receiver shall be appointed of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers shall be appointed (and, in any such case, such possession is not given up or such appointment is not withdrawn within sixty (60) days) or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation, or
- (vi) if the Charterers shall stop payments to all of its creditors or shall cease to carry on or suspend all or a substantial part of their business or shall be unable to pay their debts, or shall admit in writing their inability to pay their debts, as they become due or shall otherwise become or be adjudicated insolvent; or
- (vii) if the Charterers shall apply to any court or other tribunal for, a moratorium or suspension of payments with respect to all or a substantial part of their debts or liabilities, or
- (viii) (A) if the Vessel is arrested or detained (other than for reasons solely attributable to the Owners or to those for whom, for the purposes of this provision, the Owners shall be deemed responsible, including without limitation, any legal person who, at the date hereof or at any time in the future is affiliated with the Owners) and such arrest or detention is not lifted within thirty (30) days (or such longer period as the Owners may reasonably agree in writing in the light of all the circumstances) ; or

- (B) if a distress or execution shall be levied or enforced upon or sued out against all or any substantial part of the property or assets of the Charterers and shall not be discharged or stayed within thirty (30) days; or
 - (ix) if any consent, authorization, license or approval necessary for this Charter to be or remain the valid legally binding obligations of the Charterers, or to the Charterers to perform their obligations hereunder or thereunder, shall be materially adversely modified or is not granted or is revoked, suspended, withdrawn or terminated or expires and is not renewed (provided that the occurrence of such circumstances shall not give rise to a Termination Event if the same are remedied within thirty (30) days of the date of their occurrence); or
 - (x) if (a) any legal proceeding for the purpose of the reconstruction or rehabilitation of the Charterers is commenced and continuing in any jurisdiction and (b) the Owners receive a termination notice from the receiver, trustee or others of the Charterers which informs the termination/rejection of the Charter pursuant to the relevant laws, codes and regulations applicable to such proceeding.
- (b) Any Termination Event shall constitute a repudiatory breach of, or breach of condition by the Charterers under, this Charter or an agreed terminating event the occurrence of which will (in any such case) entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel under this Charter and recover the amounts provided for in Clause 42(c) either as liquidated damages or as an agreed sum payable on the occurrence of such event.

42. OWNERS' RIGHTS ON TERMINATION

- (a) At any time after a Termination Event shall have occurred and be continuing, the Owners may, by notice to the Charterers immediately, or on such date as the Owners shall specify, terminate the chartering by the Charterers of the Vessel under this Charter, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners. For the avoidance of doubt, in case of the termination of the Charter in accordance with 41 (a) (x) hereof, the Charter shall be deemed to be terminated upon receipt by the Owners of the termination notice set forth in Clause 41 (a) (x) hereof.

- (b) On or at any time after termination of the chartering by the Charterers of the Vessel pursuant to Clause 42(a) hereof the Owners shall be entitled to retake possession of the Vessel in accordance with Clause 29 hereof, the Charterers hereby agreeing that the Owners, for that purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located.
- (c) If the Owners pursuant to Clause 42(a) hereof give notice to terminate the chartering by the Charterers of the Vessel, the Charterers shall pay to the Owners on the date of termination (the "**Termination Date**"), the aggregate of (A) all hire due and payable, but unpaid, under this Charter to (and including) the Termination Date together with interest accrued thereon pursuant to Clause 36(d) hereof from the due date for payment thereof to the Termination Date, (B) any sums, other than hire, due and payable by the Charterers, but unpaid, under this Charter together with interest accrued thereon pursuant to Clause 36(d) to the Termination Date and (C) any actual direct financial loss suffered by the Owners which direct loss shall be determined as the shortfall, if any, between (a) the current market value of the Vessel, in the event that the Vessel is not sold within 3 months from the Termination Date, (average value as estimated by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S. (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Owners and Charterers may agree in writing from time to time) and (b) the Remaining Purchase Option Price (as defined in Clause 49.2 hereof) at any given time always taking into account any charterhire paid during the year to which the specified Remaining Purchase Option Price relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Remaining Purchase Option Price, then the Owners shall pay the amount of such excess to the Charterers forthwith. The aggregate of (A), (B) and (C) above shall hereinafter be referred to as the "**Termination Compensation**"). Nevertheless, if the Vessel is sold or transferred within 3 months after the Termination Date, Clause 42 (e) shall apply.

- (d) If the Charter is terminated in accordance with this Clause 42 the Charterers shall immediately redeliver the Vessel at a safe and ice-free port or place as indicated by the Owners. The Vessel shall be redelivered to the Owners in substantially the same condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.
- (e) Following the re-delivery of the Vessel by the Charterers after a termination of this Charter on the Termination Date, if the Owners subsequently intend to sell the Vessel, they shall notify the Charterers in writing of the potential sale and the potential sale price of the Vessel (the "Proposed Owners' Sale Price") whereupon the Charterers (or their nominee) may, within 5 days of such notification, elect to purchase the Vessel by paying an amount which is the higher of (I) the Proposed Owners' Sale Price and (II) the aggregate of clause 42 (c) (A) and (B) and the Remaining Purchase Option Price (as defined in Clause 48.2). If the Charterers notify the Owners that they do not intend to purchase the Vessel or the Charterers do not respond to the Owners within such days' period (or such longer period as the Owners may in their absolute discretion determine), the Owners may sell the Vessel on such terms as the Owners may deem fit but for avoidance of any doubt, in the event that the selling price of the Vessel exceeds the aggregate of Clause 42 (c) (A), (B), the remaining Purchase Option Price and all costs and expenses (including but not limited to brokerage fees and attorney's fees) reasonably incurred by the Owners for negotiation, preparation, execution and performance of such sale, then any amount in excess of this should be paid to the Charterers.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour or the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 49 hereof.

The Owners have the right to register a first preferred mortgage on the Vessel in favour of the Mortgagee (THE HIROSHIMA BANK, LTD.) securing a loan under the Loan Agreement under standard mortgages and security documentation. In which case, the Owners undertake to procure from the Mortgagee a Letter/Agreement of Quiet Enjoyment in a form and substance reasonably acceptable to the Charterers.

The Charterers agree to sign an acknowledgement of the Owners' charterhire assignment or any other comparable document reasonably required by the Mortgagee, in favour of the Mortgagee. During the course of the Charter the Owners have the right to register a substitute mortgage in favour of another bank provided such registration is effected in a similar amount to the loan amount outstanding with the Mortgagee at that time and only if such substitute mortgagee executes a Letter/Agreement of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form reasonably acceptable for the Charterers. The Charterers will then agree to sign a charterhire assignment in favour of the substitute mortgage in a form as shall be agreed by the Charterers, which agreement not be unreasonably withheld. Any cost incurred by the Charterers shall be for Owners' account.

Subject to the term and conditions of this Charter, the Charterers also agree that the Owners have the right to assign its rights, title and interest in and to the insurances by way of assignment of insurance in respect of the Vessel to and in favour of the Assignee in a form and substance reasonably acceptable to Charterers and the Assignee.

Owners shall procure that exercise and/or enforce of any mortgage and charterhire assignment which might interfere with or prejudice or adversely affect the Charterer's use of the Vessel or other right of the Charterer under this Charter (including the purchase option of the Vessel) shall be subject to the terms and conditions of the Letter/Agreement of Quiet Enjoyment.

In the event that the Owners execute security of any nature (including but not limited to any mortgage, assignment of insurances) over the Vessel then the Owners hereby undertake and agree as a condition of this Charter to procure that the beneficiary of such security executes in favour of the Charterers a letter/agreement of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and exercise and/or enforce of the beneficiary's rights thereunder is subject to the agreement of a letter/agreement of Quiet Enjoyment before or after delivery of the Vessel.

45. REDELIVERY INSPECTION

Prior to redelivery under Clause 42 hereof and without interference to the operation of the Vessel, the Owners, at their risk and expense, shall have the right provided that such right is declared at least 20 days prior to the expected redelivery date to carry out an underwater inspection of the Vessel by Class approved diver and in the presence of Class surveyor and Owners' and Charterers' representatives. Should any damages in the Vessel's underwater parts be found that will impose a condition or recommendation of Vessel's class then:

- a) In case Class imposes a condition or recommendation of class that does not require drydocking before next scheduled drydocking. Charterers shall pay to Owners the estimated cost to repair such damage in way which is acceptable to Class, which to be direct cost to repair such damage only, as per average quotation for the repair work obtained from two reputable independent shipyards at or in the vicinity of the redelivery port, one to be obtained by Owners and one by Charterers within 2 banking days from the date of imposition of the condition/recommendation unless the parties agree otherwise.
- b) In case Class require Vessel to be drydocked before the next scheduled drydocking the Charterers shall drydock the Vessel at their expense prior to redelivry of the Vessel to the Owners and repair same to Class satisfaction.

In such event the Vessel shall be redelivered at the port of the dockyard.

46. MORTGAGE NOTICE

The Charterers and place and keep prominently displayed in the chart room, master's cabin, and engine room of the Vessel a framed printed notice in plain type reading as follows:

“NOTICE OF SHIP MORTGAGE”

“This Vessel is covered by a First Preferred Ship Mortgage given to THE HIROSHIMA BANK, LTD., a banking corporation duly organized and existing under the laws of Japan, having its head office at 3-8 Kamiya-cho 1-chome, Naka-ku, Hiroshima City, Hiroshima-Pref., Japan, acting through its Kure Office at 5-4, Hondori 3-chome, Kure City, Hiroshima-Pref., Japan, its successors and assigns under the authority of the laws of the Republic of Panama. Under the terms of said Mortgage, neither the owner of this Vessel, any charterer, the Master of this Vessel, nor any other person has any right, power or authority to create, incur or permit to be imposed upon the Vessel any liens, maritime or otherwise, other than the lien of said Mortgage and liens for crew's wages or salvage.”;

47. SALE OF VESSEL BY OWNERS

1. The Owners have the right to sell the Vessel to a reputable third party (“**Purchaser**”) at any time during the Charter Period with the prior written consent of the Charterers and provided that (i) the Purchaser agrees to take over the benefit and burden of this Charter, (ii) such ownership change does not result in any reflagging of the Vessel, (iii) such ownership change does not result in the Charterers being obliged to increase any payment under this Charter, (iv) such ownership change does not increase the actual or contingent obligations of the Charterers under this Charter, and (v) the Charterers shall not be liable for the costs and expenses (including legal fees) incurred in the sale of the Vessel by the Owners under this Clause 47.
2. The Owners shall give the Charterers at least one month’s prior written notice of any sale.
3. Subject to 47.1, the Charterers and Owners undertake with each other to execute one or more novation agreements (or other documents required under applicable law) to novate the rights and obligations of the Owners under this Charter to the Purchaser such novation agreement(s) or other documents to be in such form and substance acceptable to the Charterers and such novation will be effective upon delivery of the Vessel from the Owners to the Purchaser.”

48. CHARTERERS’ OBLIGATION OR OPTION TO PURCHASE VESSEL

1. Charterers to have purchase obligation at the end of 96th months of the Charter Period at a price of USD3,600,000 net—the “**Final Purchase Obligation Price**” which price shall not be reduced irrespective of the actual purchase date of the Vessel); however, Charterers to have purchase option to purchase the Vessel at the end of 4th year anniversary date of the Delivery Date at USD12,000,000 net (the “**First Purchase Option Price**”) subject to Charterers declaration 3 months before such date.

2. Charterers further have an option to purchase, such purchase being declared at any time through the remaining period at the following price or pro-rata de-escalation until the maturity of the Charter Period (the “**Subsequent Purchase Option Price**”), provided that in any event Subsequent Purchase Option Price shall not be less than USD 3,600,000.- irrespective of the actual purchase date of the Vessel.

At end of 4th year	:	USD 12,000,000.-
At end of 5th year	:	USD 9,900,000.-
At end of 6th year	:	USD 7,800,000.-
At end of 7th year	:	USD 5,700,000.-
At end of 8th year	:	USD 3,600,000.-

(The purchase option price of the Vessel to be calculated in accordance with Clause 48.1 and 48.2 hereof, whether the Final Purchase Option Price or the First Option Price or the Subsequent Purchase Option Price, hereinafter called the “**Remaining Purchase Option Price**”).

3. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 48.4) the Parties shall execute a Protocol of Redelivery and Acceptance under this Charter (the “**Redelivery Protocol**”) and save in respect of any claims accrued under this Charter prior to the date and time of the Redelivery Protocol, this Charter shall terminate forthwith.
4. Upon the date of any written notification by the Charterers to the Owners of their intention to purchase the Vessel, the Owners and the Charterers shall be deemed to have unconditionally entered into a contract to sell and purchase the Vessel for the Remaining Purchase Option Price on and in strict conformity with the terms and conditions contained in the Memorandum of Agreement attached to this Charter as Exhibit A (the “**PO MOA**”).

49. MISCELLANEOUS

- (a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.

- (b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.
- (c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.
- (d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.
- (e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

50. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

- (i) in the case of the Owners c/o Kawana Kaiun Co., Ltd.

Address : KAWANA BLDG, 12-20, Hiro-Oshingai-1 Chome,
Kure-City, Hiroshima 737-0141, Japan
Telephone : +81-823-36-2010
Telefax : +81-823-75-2012
E-mail : info@kawana-kaiun.co.jp

- (ii) in the case of the Charterers c/o Navios Shipmanagement Inc.

Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com

(iii) in the case of the Brokers c/o ITOCHU Corporation

Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2939
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

51. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 without consent of the Owners provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

52. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery under this Charter and again on redelivery of the Vessel under Clause 42 hereof.

The Owners shall at the time of redelivery under Clause 42 hereof take over and pay for all remaining bunkers, unused lubricating oil (for avoidance of any doubts, the lubricant oil in the machinery is included), unbroached provisions, paints, ropes and other unused consumable stores (excluding spare parts) in the said Vessel at the Charterers' purchased prices with supporting vouchers, provided that this payment shall be off-set against the Owner's claim under Clause 42 to the extent the sum equivalent to such payment. However, the Charterers shall not pay to the Owners at time of delivery for any bunkers, lubricating oil, provisions, paints, ropes and consumable stores which the Charterers have supplied to the Vessel at the Charterers' expense prior to delivery. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

53. INDEMNITY FOR POLLUTION RISKS

Charterers shall indemnify the Owners against the following Pollution Risks:-

- (a) liability for damages or compensation payable to any person arising from pollution;
- (b) the costs of any measures reasonably taken for the purpose of preventing, minimizing or cleaning up any pollution together with any liability for losses or damages arising from any measures so taken;
- (c) liability which the Owners and/or the Charterers may incur, together with costs and expenses incidental thereto, as the result of escape or discharge or threatened escape discharge of oil or any other substance;

- (d) the costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority for the purpose of preventing or reducing pollution or the risk of pollution; provided always that such costs or liabilities are not recoverable under the Hull and Machinery Insurance Policies on the Vessel;
- (e) liability which the Owners and/or the Charterers may incur to salvors under the exception to the principal of “no cure-no pay” in Article 1 (b) of Lloyds Standard Form of Salvage Agreement (LOF 1990); and
- (f) liability which the Charterers may incur for the payment of fines in respect of pollution in so far as such liability may be covered under the rules of the P&I Club.

54. TRADE AND COMPLIANCE CLAUSE

- (a) The Charterers and the Owners hereby agree that no person/s or entity/ies under this Charter will be individual(s) or entity(ies) designated under any applicable national or international law imposing trade and economic sanctions, including sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleet under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Japan or United States of America (collectively, the “Sanctions”).
- (b) Further, the Charterers and the Owners agree that the performance of this Charter will not require any action prohibited by sanctions or restrictions under any applicable Sanctions.
- (c) Further to the above, Charterers shall take reasonable steps to confirm that at the date of this Charter Party and throughout the duration thereof, any sub-charterer of the Vessel (who is directly contracting with the Charterer in respect of the Vessel at any relevant time), the managers of the Vessel and the Vessel are not a sanctioned party/vessel under the Sanctions.

55. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contractors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

(end)

- In 1974 as "Barecon A" and "Barecon B" Revised and Amalgamated 1989
- The Documentary Committee of the Japan Shipping Exchange, Inc., Tokyo
1. Shipbroker
Not Applicable
- THE BALTIC AND INTERNATIONAL MARITIME COUNCIL(BIMCO)
STANDARD BAREBOAT CHARTER
CODE NAME: "BARECON 2001"
- PART I
2. Place and date
at [Place] on [date]
3. Owners/Place of business (Cl.1)
ASL NAVIGATION S.A.
53rd E Street, Urbanizacion Marbella,
MMG Tower, 16th Floor, Panama,
Republic of Panama
4. Bareboat charterers(Charterers)/Place of business (Cl.1)
PHAROS NAVIGATION S.A.
Republic of the Marshall Islands
5. Vessel's name, Call Sign and Flag (Cl. 1 and 3)
M/V "NAVIOS PHOENIX", 3FFF3, and Panama, Republic of Panama.
6. Type of Vessel
Bulk Carrier
7. GRT/NRT
90423 / 59281
8. When/Where built
IMABARI SHIPBUILDING CO., LTD.
Hiroshima Shipyard on December 21st, 2009
9. Total DWT (abt.) in metric tons on summer freeboard
180,242M.T.
10. Classification Society (Cl. 3)
BV (Bureau Veritas)
11. Date of last special survey by the Vessel's classification society
3rd April, 2020
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)
As is upon delivery
13. Port or Place of delivery (Cl.3)
any part of the world (including sea area), excluding North Korea, Cuba, Israel, "war or warlike zone", and countries banned/boycotted by the U.N., subject to the limits of current British Institute Warranties
14. Time for delivery (Cl.4)
On or after
15th December 2021
15. Cancelling date (Cl.5)
14th January 2022
16. Port of Place of redelivery (Cl.15)
One Safe port worldwide range
17. No. of months' validity of trading and class certificates upon redelivery (Cl.15)
Three months
18. Running days' notice in other than stated in Cl.4
N/A
19. Frequency of dry-docking (Cl.10(g))
In accordance with Class rules and regulation and flag state requirements
20. Trading limits (Cl.6)
Trading Worldwide within IWL via safe ports / safe anchorage that the Vessel is suitable call, excluding any war risk zones. Charterers have option to break the limits, provided that Charterers extra insurance to be placed at Charterers' risk and expense to Owners' satisfaction,
21. Charter Period (Cl.2)
Six (6) years or up to 6 months less at the Charterers' option
22. Charter Hire (Cl.11)
Please see Clause 36
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. To Box 29) (Cl.10(a)(ii))
Not Applicable
24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV
1M ICE LIBOR plus 3%
25. Currency and method of payment (Cl.11)
Monthly in cash in United States currency by telegraphic transfer

(Continued)

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 26. Place of payment; also state beneficiary and bank account (Cl. 11)
To be advised | 27. Bank guarantee/bond (sum and place) (Cl. 22) (optional)
Not Applicable |
| 28. Mortgage(s), if any. (state whether Cl. 12(a) or (b) applies; if 11(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)

Cl. 12(b) to apply.
Mortgage to be arranged in favour of Sumitomo Mitsui Trust Bank, Limited, Japan | 29. Insurance (hull and machinery and war risks) (state value acc. To Cl.13(f) or, if applicable, acc. To Cl.14(k)) (also state if Cl. 14 applies)

Not less than 110% of the Charter Principal Balance as defined in Clause 36(1)(ii) |
| 30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b)) or, if applicable, (Cl. 14(g))

Not Applicable | 31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, (Cl. 14(g))

To be determined by the Charterers |
| 32. Latent defects (only to be filled in if period other than stated in Cl. 3)

Not Applicable | 33. Brokerage commission and to whom payable (Cl. 27)

Not Applicable |
| 34. Grace period (state number of clear banking days) (Cl.28)

Seven (7) Clear Banking Days in US, Japan and Greece | 35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated)

Clause 30(a) to be applied. |
| 36. War cancellation (indicate countries agreed) (Cl.26(f))

UK, U.S.A., Russia, PRC China, Greece, Japan | |
| 37. Newbuilding Vessel (indicate with "yes" or "no" whether Part III applies) (optional)

No | 38. Name and place of Builders (only to be filled in if Part III applies)

Not Applicable |
| 39. Vessel's Yard Building No. (only to be filled in if Part III applies)

Not Applicable | 40. Date of Building Contract (only to be filled in if Part III applies)

Not Applicable |
| 41. Liquidated damages and costs shall accrue to (state party acc. To Cl.1)
a) Please see Clause 34(3)(4)(5)(6)
b)
c) | |
| 42. Hire/Purchase agreement (indicate with "yes" or "no" whether Part IV applies) (optional)

No | 43. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional)

No |
| 44. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)

Not Applicable | 45. Country of the Underlying Registry (only to be filled in if Part V applies)

Not Applicable |
| 46. Number of additional clauses covering special provisions, if agreed

Clause No 32-50 attached hereto are deemed to be fully incorporated in this Charter Party. | |

PREAMBLE—It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in the Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further mutually agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)
ASL NAVIGATION S.A.

Masafumi Abo / President

Signature (Charterers)
PHAROS NAVIGATION S.A.

Shunji Sasada

PART II

1. **Definitions**

In this Charter, the following terms shall have the meanings hereby assigned to them:

“Banking Day” means a day on which banks are open for business in Tokyo, Piraeus and New York;

“The Owners” shall mean the party identified in Box3;

“The Charterers” shall mean the party identified in Box4;

“The Vessel” shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.

“Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

2. **Charter Period**

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to the Vessel for the period stated in Box 21 (“The Charter Period”).

3. **Delivery** (*not applicable when Part III applies, as indicated in Box 37*) *the Vessel shall be delivered in accordance with Clause 35 and Clause 2 of Part III*

~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13, in such ready berth as the Charterers may direct.

~~(b) The Vessel shall be provisionally registered properly documented on delivery and shall be properly registered and documented within the grace period in accordance with the laws of the flag State indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.~~

~~(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners’ obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under the Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery (*not applicable to when Part III applies, as indicated in Box 37*)

The Vessel to be delivered not before the date indicated in Box 14 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery.~~

~~The Owners to keep the Charterers closely advised of possible changes in the Vessel's position.~~

5. Cancelling (*not applicable when Part III applies, as indicated in Box 37*)

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15 solely due to Owners' fault, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance *and the rules of the P&I club* (including any warranties expressed or implied therein) without first obtaining the consent of the insurers *including the P&I club* to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail *and International Regulations to which the Vessel shall be subject* or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

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Notwithstanding any other provisions contained in this Charter, it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners’ prior approval has been obtained to loading thereof.

7. ~~Surveys on Delivery and Redelivery~~ *(not applicable when Part III applies as indicated in Box 37)*

~~The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the conditions of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro-rata thereof.~~

8. Inspection

The Owners shall have the right once a year at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorized surveyor to carry out such survey on their behalf – provided that it does not interfere with the operation of the Vessel and/or crew:-

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained and/or for any other commercial reason they consider necessary. The costs and fees for such inspection or survey shall be paid by the Owners ~~unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;~~

~~(b) in dry dock if the Charterers have not dry docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and~~

~~(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.~~

All time used in respect of inspection, survey or repairs shall be for the Charterers’ account and form part of the Charter period.

The Charterers shall also permit the Owners to inspect the Vessel’s log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories and Consumable Oil and Stores

A complete inventory of the Vessel’s entire equipment, outfit including spare parts, appliances and of all consumable stores provided and paid for by Owners on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. ~~The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay (except, on delivery, to the extent that Charterers have paid suppliers directly for the same) for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the actual purchased price as evidenced by supporting vouchers then current market prices at the ports of delivery and redelivery, respectively.~~

10. Maintenance and Operation

(a) (i) Maintenance and Repairs – During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall exercise due diligence to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, ~~except as provided for in Clause 14 (l), if applicable, at their own expense they shall at all times keep the Vessel’s Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~

~~(ii) New Class and Other Safety Requirements—In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers’ loss of time) more than the percentage stated in Box 23, or if Box 23 is left black, 5 per cent. of the Vessel’s insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under the Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.~~

(iii) Financial Security—The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers’ sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(b) Operation of the Vessel—The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, ~~even if for any reason appointed by the Owners.~~

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Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel’s flag or any other applicable law.

(c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.

(d) During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners’ consent, which shall not be unreasonably withheld, to change the name *and/or the Classification Society* of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers’ expense and time.

(e) Changes to the Vessel – Subject to Clause ~~10(a)(ii)~~ 43 of Rider Clauses, the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners’ approval thereof, which should not be unreasonably withheld. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.

(f) Use of the Vessel’s Outfit, Equipment and Appliances—The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and conditions as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period *unless agreed otherwise by the Owners and the Charterers*. . Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(g) Periodical Dry-Docking—The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not least than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.

11. Hire

- (a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence. *Please See Clause 36 of Rider Clauses.*
- (b) ~~The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable monthly not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.~~
- (c) ~~Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place maintained in Box 26.~~
- (d) ~~Final payment of hire, if for a period less than thirty (30) running days one (1) month, shall be calculated proportionally according to the number of days and hours remaining before delivery and advance payment to be effected accordingly.~~
- (e) ~~Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.~~
- (f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. ~~If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers' Associate (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.~~
- (g) ~~Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.~~

12. Mortgage (only to apply if Box 28 has been appropriately filled in)

- *) (a) ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~
- *) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operations, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument *provided that a Quiet Enjoyment Agreement will be in place at the time of mortgage registration the wording of which to be mutually agreed between the Owners and the Charterers.* ~~The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s).~~ The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.
- *) (Optional, Clause 12 (a) and 12 (b) are alternative; indicate alternative agreed in Box 28).

13. Insurance and Repairs

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war by first class insurers and Protection and Indemnity risks *by a member of International Group of P&I club* (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) *in the Charterers’ standard form as the Owners have received, reviewed and approved.*, ~~in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld.~~ Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances ~~or any warranty or guarantee under the Shipbuilding Contract~~ and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) including any deviation, shall be for the Charterers’ account.

~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each part set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

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~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners or the Mortgagees who shall distribute the moneys between the Owners, the Mortgagees and the Charterers according to their respective interests, but so that the Mortgagee shall never receive more than the Owners would otherwise have been entitled to under this Charter. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total Loss as defined in this Clause. Please see clause 40 of Rider Clauses~~

(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

~~(f) For the purposes of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in please refer to Box 29.~~

14. Insurance, Repairs and Classification

~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).~~

~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.~~

~~(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.~~

~~(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.~~

~~(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.~~

~~(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.~~

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~~(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers’ account and shall form part of the Charter Period.~~

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

~~(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurance is necessary.~~

~~(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.~~

~~(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.~~

~~(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to insurers and claim a constructive total loss.~~

~~(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.~~

~~(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel’s Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.~~

15. Redelivery

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owner may direct. The Charterers shall give the Owners not less than thirty (30) running days’ preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days’ definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel’s position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. ~~Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent. or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.~~

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Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. ~~The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:-~~

~~“This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.”~~

17. Indemnity

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment and Sub-Charter and Sale

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owner shall approve.

(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, ~~which shall not be unreasonably withheld~~, and subject to the buyer accepting an assignment of, and agreeing to be bound by, this Charter.

23. Contracts of Carriage

*) (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

*) ~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

*) ~~Delete as applicable~~

24. Bank Guarantee *(Optional, only to apply if Box 27 filled in)*

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.

25. Requisition/Acquisition

(a) In the event of Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as “Requisition for Hire”) irrespective of the date during the Charter Period when “Requisition for Hire” may occur ~~and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period,~~ this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall ~~continue to pay the stipulated~~ hire equal to the hire it receives from the relevant government and on the date its receives the same, in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of “Requisition for Hire” any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the “Requisition for Hire” whichever be the shorter and the Purchase Option Price shall be increased by the aggregate daily amount of such shortfall prior to the payment of the Purchase Option Price.

(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority, which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title (hereinafter referred to as “Compulsory Acquisition”), then, this Charter shall be deemed terminated as of the date of such “Compulsory Acquisition”. In such event Charter Hire to be considered as earned and to be paid up to the date and time of such “Compulsory Acquisition” but not thereafter.

26. War

(a) For the purpose of this Clause, the word “War Risk” shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), act of piracy, acts of terrorists, acts of hostility or malicious damage, blockages (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

~~(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risk. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry~~

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~~into it, the Owners shall have the right to require the Vessel to leave such area.~~(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockage be imposed on all vessels, or is imposed selectively in any war whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent’s right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers’ orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.~~

(e) The Charterers shall have the liberty:

- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destination, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;
- (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
- (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

~~(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People’s Republic of China, (ii) between any two or more of the countries as stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if she has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

27. Commission

The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

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If the full hire is not paid owing to breach of Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission.

Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.

28. Termination

(a) Charterers' Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

- (i) ~~the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;~~
- (ii) ~~the Charterers fail to comply with the requirements of:~~
 - (1) ~~Clause 6 (Trading Restrictions)~~
 - (2) ~~Clause 13(a) (Insurance and Repairs)~~

~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;~~
- (iii) ~~the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.~~

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the either party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

~~In the event of the termination of this Clause in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners’ representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers’ Master, officers and crew shall be the sole responsibility of the Charterers.~~

30. Dispute Resolution

*) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of this Contract shall be referred to arbitration in London in accordance with the Arbitration Acts 1996 or any statutory modification or re-enactment thereof save to the effect necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and give notice that it has done so within the 14 days

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specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~*) (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. the proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

*) ~~(c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

~~(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.~~

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-

- ~~(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the “Mediation Notice”) calling on the other party to agree to mediation.~~
- ~~(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (“the Tribunal”) or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~

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- (iii) ~~If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~
- (iv) ~~The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~
- (v) ~~Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.~~
- (vi) ~~Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator’s costs and expenses.~~
- (vii) ~~The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.~~

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

(e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. ~~Sub-clause 30(d) shall apply in all cases.~~

*) *Sub-clauses 30(a), 30(b), and 30(c) are alternative; indicate alternative agreed in Box 35.*

31. Notices.

- (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, email, registered or recorded mail or by personal service.
- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 37)

1. Specifications and Building Contract

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called “the Building Contract”) as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter signed as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers’ consent.

(c) The Charterers shall have the right to send their representative to the Builders’ Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause. *The Owners shall, at the Owners’ cost and expense, send to and maintain at the shipyard their representative to act in connection with approval of the plans and drawings, attendance to the tests and inspections relating to the Vessel, its machinery, equipment and outfitting, and any other matters for which he is specifically authorized by the Owners.*

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel’s performance or specification or defects, if any. Clause 35(3) shall apply in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders. The Owners shall use their best endeavours to compel the Builders to repair, replace or remedy any defects and to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners’ liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are able to recover, having used their best endeavours, under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacements or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties. *See Clause 34 and 35 of Rider Clauses*

2. Time and Place of Delivery

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect. See Clause 39(3).

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

- i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or
- ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;
- iii) in no circumstances shall be the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;
- iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties. See Clause 35 of Rider Clauses

3. Guarantee Works

If not otherwise agreed, the Owners authorize the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performances to the extent the Owners may request. *See Clause 35 of Rider Clauses*

4. Name of Vessel

The name of the Vessel shall be decided by the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the conditions of the Vessel at the time of redelivery.

Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

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**PART IV
HIRE/PURCHASE AGREEMENT**

(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

~~The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.~~

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.~~

~~The Wireless installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

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The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1: Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

~~“The Bareboat Charter Registry” shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.~~

~~“The Underlying Registry” shall mean the registry of the State in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.~~

2: Mortgage

The Vessel chartered under this Clause is financed by a mortgage and the provision of Clause 12(b) (Part II) shall apply.

3: Termination of Charter by Default

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.~~

~~In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they have against the Owners under this Charter.~~

32. CONDITIONS PRECEDENT

- (1) Conditions Precedent to Owners' Obligations: As a condition precedent to performance by the Owners of their obligations hereunder, the following conditions shall be satisfied by the following date:-
 - (a) Condition Precedent Documents from Charterers upon Execution: Receipt by the Owners of the following documents upon signing of this Charter:-
 - (i) a certified copy of the resolutions of the board of directors of the Charterers authorizing them to execute this Charter;
 - (ii) a certified true copy of the Memorandum and Articles of Association of the Charterers;
 - (b) Condition Precedent Documents from Charterers upon Delivery: Receipt by the Owners of the following documents upon Delivery of the Vessel.
 - (i) the Insurance Assignment duly executed by the Owners and the Charterers in favour of the Mortgagee, copies of the notices of assignment to the Insurers signed by the Owners and the Charterers, two originals of the letters of undertaking from the Insurers;
 - (c) Continuation of Memorandum of Agreement: the Memorandum of Agreement being effective throughout the Pre-Delivery Period.
 - (d) No Termination Event: no Termination Event arising and continuing during the Pre-Delivery Period, unless it is remedied or waived.
- (2) Conditions Precedent to Charterers' Obligations: As a condition precedent to the Charterers being bound by their obligations hereunder, the following conditions shall be satisfied by the following dates:-
 - (a) Condition Precedent Documents from Owners upon Execution: Receipt by the Charterers of the following documents upon signing of this Charter:-
 - (i) a certified copy of the resolutions of the board of directors of the Owners authorizing them to execute this Charter;
 - (ii) a certified true copy of the Articles of Incorporation of the Owners
 - (b) Condition Precedent Documents from Owners by the delivery of the Vessel: Receipt by the Charterers of the following documents by the delivery of the Vessel: copy of the Quiet Enjoyment Agreement signed by the Mortgagee with the original to follow as soon as possible thereafter;
 - (c) Continuation of Memorandum of Agreement: the Memorandum of Agreement being effective throughout the Pre-Delivery Period.

~~33. ADDITIONAL PROVISION CONCERNING SHIPBUILDING(DELETE)~~

~~34. ACQUISITION COST(DELETE)~~

35. DELIVERY OF VESSEL AND OWNERS' WARRANTY OF QUALITY, ETC.

(1) Protocol of Delivery and Acceptance

The Owners and the Charterers shall sign, execute and deliver a Protocol of Delivery and Acceptance under the Memorandum of Agreement and under the Charter in a form and substance which shall constitute an absolute and conclusive evidence of delivery of the Vessel from the Owners to the Charterers.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

After delivery of the Vessel, the Charterers shall pay the hire monthly in advance as remuneration of letting of the Vessel for the charter period, which consist of (i) Monthly Fixed Hire and (ii) Variable Hire as follows.

(i) Monthly Fixed Hire is the sum of USD 229,166.67, which is equal to one seventy second (1/72) of USD 16,500,000.-, which is the initial Charter Principal Balance less USD 3,500,000.-; and

(ii) Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance x (3.00% + one (1) month ICE LIBOR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

An applicable one (1) month ICE LIBOR shall be one month LIBOR administered by ICE Benchmark Administration Limited on five (5) Business Days prior to the first day of the relevant month.

If no Screen Rate is available for one month ICE LIBOR for any particular month, the applicable one month ICE LIBOR shall be the alternative rate as evidenced by and applicable under the loan or facility agreement (such evidence to be provided to the Charterers) between the Owners and the mortgagee(s) in box 28 and the spread over the alternative rate shall be adjusted.

The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before that due date.

Charter Principal Balance means USD20, 000,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

(2) Absolute Obligations and Meaning of Day

(a) Except in case of the Owners' default hereunder which actually prevents the Charterers' quiet use of the Vessel for the purpose of this Charter, the Charterers'

obligations to pay the Hires shall be absolute, and no-off hire shall be claimed by the Charterers for any reason whatsoever and the Charterers shall continuously and always be liable to pay the Hires unless and until:-

- (i) the Total Loss Compensation Date in the case of the occurrence of a Total Loss; or
- (ii) the redelivery of the Vessel to the Owners or to the Owners' nominee

(b) The Date of delivery, the Total Loss Compensation Date and the date of redelivery shall be treated as an entire one day regardless of the time of delivery, the time occurrence of a Total Loss and the time of redelivery.

(c) "Day" shall be construed as Japan time

(3) Extra Payments

In addition to the above Hire, the Charterers shall pay to the Owners or arrange directly for the payment of the following items.

- (i) Flag State's Annual tonnage tax throughout the Charter Period.
- (ii) 50% of the registration cost of the Vessel to the Flag State
- (iii) Any other flag related costs excluding the costs related to the registration (except for its 50%, which to be borne by Charterers) and deletion of the Vessel to and from the Flag State and the recordation or discharge of any mortgage in favour of Owners' financiers and/or any other costs related to Owners' financing arrangements, which shall be for the Owners' account.

37. OPTION TO PURCHASE VESSEL

The Charterers shall have the option to purchase the Vessel at any time after the end of the third year after the Delivery Date on terms that they must exercise that option at least 3 months before the intended transfer of the Vessel to the Charterers.

The purchase price shall be in the following amount depending on the date of the exercise of the option:

At end of 3rd year	:	USD 12,117,500
At end of 4th year	:	USD 9,345,000
At end of 5th year	:	USD 6,572,500
At end of 6th year	:	USD 3,800,000

and if the option is exercised between such dates, the purchase price shall be reduced pro rata (the amount payable being herein called the "**Purchase Option Price**").

Upon exercise by the Charterers of the purchase option under this Clause, the Owners and the Charterers shall enter into an MOA (the "**MOA**") substantially in the form attached to this Charter at Exhibit B.

In case the Charterers purchase the Vessel in accordance with this Clause, the Vessel shall be redelivered under this Charter on the date of delivery of the Vessel to the Charterers under the MOA.

38. TERMINATION EVENTS

Each of the following events shall be a "Termination Event" for purposes of this Charter: -

- (i) if any hire installment or any other sum payable by the Charterers under this Charter is not paid within ten (10) Banking Days of its due date or (in the case only of sums expressed to be payable by the Charterers on demand) within fifteen (15) Banking Days following the date of demand therefor and such failure to pay is not remedied within seven (7) Banking Days (in Greece, New York and Japan) of receipt by the Charterers of written notice from the Owners notifying the Charterers of such failure and requesting remedial actions ; or
- (ii) if :
 - (A) Save in circumstances where requisition for hire or compulsory requisition result in termination of insurances for the Vessel, the Charterers shall at any time fail to effect or maintain any insurances required under this Charter; or that any insurer avoid or cancel any such insurances (other than where the relevant avoidance or cancellation results from an event or circumstance outside the reasonable control of the Charterers and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within seven (7) days of such avoidance or cancellation); or
 - (B) the Charterers commit any breach of or make any misrepresentation in respect of any such insurances the result of which is to entitle the relevant insurer to avoid the policy or otherwise to be excused or released from all or any of its liability thereunder to the Owners (unless, prior to the relevant insurer exercising any such right, he expressly and irrevocably waives the breach or misrepresentation in question); or
 - (C) any of the said insurances ceases for any reason whatsoever to be in full force and effect (other than where the reason in question is outside the reasonable control of the Charterers and that the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within seven (7) days of such termination); or
- (iii) if the Charterers shall at any time fail to observe or perform any of their material obligations being any obligation relating to the condition of the Vessel and/or the validity of any security provided to the Owners under this Charter other than those obligations referred to in sub-clause (i) or sub-clause (ii), and such failure to observe or perform the said obligation is either not remediable or is not remedied within thirty (30) days of receipt by the Charterers of a written notice from the Owners requesting remedial action; or
- (iv) if any material representation or warranty by the Charterers in connection with the Charter shall prove to be untrue, inaccurate or misleading in any material respect when made (and such occurrence continues unremedied for a period of thirty (30) days after receipt by the Charterers of written notice from the Owners requesting remedial action); or
- (v) if a petition is presented (and not withdrawn or stayed within sixty (60) days) or an order shall be made or an effective resolution shall be passed for the administration or winding-up of the Charterers (other than for the purpose of a reconstruction or amalgamation during and after which the Charterers remain solvent the terms of

which have been previously approved in writing by the Owners which approval shall not be unreasonably withheld); or

- (vi) if an encumbrancer shall take possession or an administrative or other receiver shall be appointed of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers shall be appointed (and, in any such case, such possession is not given up or such appointment is not withdrawn within sixty (60) days) or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation, or
- (vii) if the Charterers apply to any court or other tribunal for, a moratorium or suspension of payments with respect to all or a substantial part of their debts or liabilities, or
- (viii) if the Vessel is arrested or detained (other than for reasons solely attributable to the Owners or to those for whom, for the purposes of this provision, the Owners shall be deemed responsible, including without limitation, any legal person who, at the date hereof or at any time in the future is affiliated with the Owners) and such arrest or detention is not lifted within sixty (60) days (or such longer period as the Owners shall reasonably agree in the light of all the circumstances) ; or
- (ix) if a distress or execution proceedings is levied against all or a substantial part of property or assets belonging to the Charterers and shall not be discharged or stayed within sixty (60) days; or
- (x) if any consent, authorization, license or approval necessary for the Charter to be or remain legally binding shall be materially adversely modified or is not granted or is revoked, suspended, withdrawn or terminated (provided that the occurrence of such circumstances shall not give rise to a Termination Event if the same are remedied within forty (40) days of the date of their occurrence).

39. PRE-DELIVERY TERMINATION

(1) Pre-Delivery Termination

If any of the following events arises before delivery of the Vessel to the Charterers, the Owners shall be entitled to terminate this Charter by giving a written notice to the Charterers:-

- (a) when any Termination Event pursuant to Clause 38 has arisen and is continuing; or
- (b) if any of the conditions precedent under Clause 32 (1) is not satisfied or waived by such date and time as therein stipulated unless otherwise agreed by the parties to this Charter; or
- (c) Termination or Rescission of Memorandum of Agreement.

(2) Cancellation of Commitment

If this Charter is terminated pursuant to the paragraph (1) above, the Owners shall thereupon be released from any and all of their obligations, liabilities, undertakings and agreements whatsoever under this Charter.

(3) Termination or Rescission of Memorandum of Agreement due to reasons beyond Owners' control

If this Charter is terminated because of termination or rescission of Memorandum of Agreement and such termination or rescission is due to reasons beyond the Owners' control, the parties hereto shall be released from any obligations and liabilities whatsoever under this Charter.

(4) Failure to provide conditions precedent.

The Charterers shall be entitled to terminate this Charter by giving a written notice to the Owners if any of the conditions precedent under Rider Clause 32(2) is not satisfied or waived by such date and time as therein stipulated unless otherwise agreed by the parties to this Charter, and upon such termination the Charterers shall be released from any and all of their obligations, liabilities, undertakings and agreements whatsoever under this Charter.

40. TERMINATION DUE TO TOTAL LOSS

In the event that the Vessel becomes a Total Loss:-

- (a) if any due date for Hire payment arises between the date of occurrence of a Total Loss and the date of receipt of any proceeds and/or the recoveries payable under insurance, the Charterers shall pay the hire then due and payable on each such due date of hire payment.
- (b) the Charterers shall procure that the Charter Principal Balance as at the Total Loss Compensation Date shall be paid to the Owners or the Mortgagees out of the proceeds and/or the recoveries payable under the Hull and Machinery Insurance and the War Risks Insurance or the compensation payable by the relevant government or authority in the case of Total Loss due to the Requisition of title (the "Requisition Compensation"), as the case may be, on or immediately after the date of receipt of proceeds and/or the recoveries payable under the insurances. If Total Loss proceeds are paid to the Owners or the Mortgagees, the Owners shall, or shall procure that the Mortgagees, pay to the Charterers any Total Loss Balance forthwith on receipt of such proceeds.

Total Loss Balance = (B) — (A)

where

(A) = the Charter Principal Balance as of the Total Loss Compensation Date

(B) = the aggregate Total Loss proceeds

Total Loss Compensation Date is the date of receipt by the Owners and/or the Mortgagee and/or the Charterers of the proceeds/the recoveries

- (d) If the amount of the insurance proceeds or the Requisition Compensations paid on the Total Loss Compensation Date is insufficient to cover the Charter Principal Balance, the Charterers shall pay the Total Loss Compensation or the amount of such deficiency to the Owners on the Total Loss Compensation Date;
- (e) on the Total Loss Compensation Date, the Charterers shall also pay (i) the Variable Hire calculated from the immediately preceding date on which Hire was due until the Total

Loss Compensation Date;

- (f) if any proceeds and/or the recoveries of the insurance or the Requisition Compensation in respect of such Total Loss shall become payable after the full payment of the Total Loss Compensation to the Owners, the Owners shall give full co-operation so that those insurance proceeds or the Requisition Compensations shall be payable to the Charterers or to their order;
- (g) upon completion of the procedures in (a)(b)(c)(d) and (e) above, this Charter terminates.
- (h) Any proceeds and/or the recoveries payable under the Hull and Machinery Insurance and the War Risks Insurance or Requisition Compensation shall be paid (i) firstly in payment of Owners' costs of collection, (ii) Secondly in payment of the Total Loss Compensation and (iii) thirdly in payment to the Charterers as compensation for early termination of this Charter.

41. INSURANCE PROCEEDS

The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-

- (a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any Mortgagee (the "Assignee"):

"Until such time as the Assignee shall have notified the insurers to the contrary:

(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever;

(ii) All other recoveries not exceeding United States Dollars One million(US\$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars One million (US\$1,000,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.

- (b) During any periods when the Vessel is not mortgaged:

"(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever;

(ii) All other recoveries not exceeding United States Dollars five million (US\$5,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars five million (US\$5,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever;

42. TERMINATION DUE TO TERMINATION EVENT

(a) Early Termination and Redelivery

If any of the Termination Events as per Clause 38 has occurred and is continuing during the Charter Period, the Owners shall be entitled to terminate this Charter by giving a notice of termination to the Charterers and this Charter shall terminate upon receipt by the Charterers of such notice; and if this Charter is so terminated, the Owners shall be released from any and all of their obligations, liabilities and responsibilities under this Charter and the Charterers shall be obligated to redeliver the Vessel immediately or within a reasonable period of time at such place as provided for in Box 16 of Part I of this Charter. In the case that the Charterers refuse to redeliver the Vessel voluntarily, the Owners shall have the right to instruct the master of the Vessel to take the Vessel to such place at Charterers' cost as the Owners shall nominate and to redeliver the Vessel to the Owners there.

(b) Redelivery Condition

The Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted. If the Vessel fails to satisfy such requirement, the Charterers shall be liable to pay the cost for repair or estimated loss. "If there is a conflict between the opinion of the Owners and the opinion of the Charterers in relation to the condition of the Vessel, the Owners and Charterers may jointly appoint one independent surveyor of international reputation to assess the condition of the Vessel.

(c) Charterers' Liability for Remaining Encumbrance

The Vessel shall be redelivered to the Owners free from any Encumbrance whatsoever (save for the Mortgages or other Encumbrances attributable to the Owners), and the Charterers shall be liable to discharge or pay the necessary amount to discharge those Encumbrances (save for the Mortgages and other Encumbrances attributable to the Owners) accrued during the Charter Period. This liability of the Charterers shall continue to exist after redelivery of the Vessel.

(d) Termination Compensation

If the Owners give notice pursuant to Clause 42(a) to terminate this Charter, the Charterers shall pay to the Owners on the date of termination (the "**Termination Date**"), the aggregate of (A) all hire due and payable, but unpaid, under this Charter to (and including) the Termination Date, (B) any sums, other than hire, due and payable by the Charterers, but unpaid, under this Charter and (C) the shortfall, if any, between (a) the current market value of the Vessel (hereinafter the "**Market Value**", being the average value as estimated by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S. (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker

as the Owners and Charterers may agree in writing from time to time) and (b) the Charter Principal Balance as at the Termination Date **PROVIDED ALWAYS** that if the Market Value exceeds the aggregate of (A) and (B) above and the Charter Principal Balance, then the Owners shall pay the amount of such excess to the Charterers forthwith

43. NEW CLASS AND OTHER SECURITY REQUIREMENT

All expenses incurred for

- (i) any improvements or structural changes to the Vessel; or
- (ii) installation of new equipment on board the Vessel;

for the purposes of maintaining new class requirements of it being necessary for the continued operation by reason of new class requirements, or compulsory legislation during the term of the Charter, shall be for Charterers' account.

If the new rules and regulations become effective during the Charter Period they shall be applied and maintained at the Charterers' risk and expenses.

44. ASSIGNMENT OF CHARTER AND EARNINGS

The Owners may assign to the Mortgagee all or any part of their rights, title and interest in and to this Charter and transfer to the Mortgagee their contractual position as owners under this Charter and the Charterers shall execute an acknowledgement and consent of the Assignment of the Charter in form satisfactory to the Mortgagees and the Charterers, subject to the Owners and Mortgagee executing a quiet enjoyment agreement in the form and content acceptable to the Charterers and the effectiveness of such assignment and/or any other security over the Vessel or this Charter is subject to agreement of the above mentioned quiet enjoyment agreement by the Owners, the Charterers and the Mortgagee before delivery of the Vessel.

45. QUIET ENJOYMENT

The Charterers shall enter into the Quiet Enjoyment Agreement with the Mortgagee whereby the Mortgagee shall agree that except in the case of occurrence of any Termination Event which is continuing and has not been remedied or waived, the Mortgagee shall not enforce the Mortgage in such a way as shall prevent the Charterers from having quiet use and enjoyment of the Vessel and that in the case of occurrence of any event of default under the Mortgage, the Mortgagee may nominate a third party who must be acceptable to the Charterers and who shall take over the contractual position of the Owners hereunder and shall enter into and execute all documentation necessary to do so.

46. ASSIGNMENT OF INSURANCE

The Charterers hereby agree to assign with the Owners whereby the insurance in respect to the Vessel shall be assigned in favor of the Mortgagee of the Vessel.

The Charterers hereby agrees to provide upon delivery date of the Vessel, to the Owners with a copy of all policies of the insurances and entry certificate of the P & I Club with respect of the Vessel, on which a Notice of Assignment, Loss Payable and Cancellation Clause in the form to be agreed have been duly contained or endorsed as an integral part of these policies, certificates and contracts, and Letters of Undertaking in the form to be agreed, shall be arranged and issued in accordance with usual insurance market practice for these types of insurance.

47. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risk as defined in Clause 26 without consent of the Owners provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

48. MISCELLANEOUS

- (a) Unless otherwise agreed in writing, no failure by either party to exercise any right or remedy available to it hereunder nor any delay so to exercise any such right to remedy shall operate as a waiver of it nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.
- (b) This agreement is severable if any term or condition of this Charter is determined to be illegal unenforceable by any court of competent jurisdiction, such provision shall be deemed to have been deleted without affecting the remaining provisions of this agreement.
- (c) The Charterers and the Owners hereby agree that in connection with this Charter and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contractors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.
- (d) The Charterers and the Owners hereby agree that (i) no person(s) or entity/ies under this Charter will be individual(s) or entity/ies designated under any applicable national or international law imposing trade and economic sanctions and (ii) the performance of this Charter will not require any action prohibited by sanctions or restrictions under any applicable national or international law imposing trade and economic sanctions.

49. NOTICE

Any communication, demand or notice to be given hereunder shall be given in writing by hand or sent by postage prepaid registered mail (registered airmail if sent overseas) or facsimile transmission or email as follows (or to each party, at such other address or number as such party may designate by notice in writing to the other party):

To: Owners: ASL NAVIGATION S.A.,
c/o Abo Shoten Co, Ltd.
18-10, 2-chome, Tsuchido, Onomichi,
Hiroshima-prefecture, Japan
Facsimile: +81-848-20-1022
Email: info@abo.co.jp

To: Charterers: PHAROS NAVIGATION S.A.,
c/o Navios Shipmanagement Inc,
83 Akti Miaouli Str.
18538 Piraeus,
Greece,
Facsimile:
Email: legal@navios.com
tech@navios.com
legal_corp@navios.com

50. DEFINITIONS

In this Charter, unless the context otherwise requires, the following expressions shall have the following meanings

“**Delivery Date**” means the date of delivery of the Vessel by the Owners to the Charterers under this Charter;

“**Market Value**” of the Vessel means at any relevant time the current market value of the Vessel being the average value as estimated by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S.;

“**Mortgagee**” means Sumitomo Mitsui Trust Bank, Limited of Japan;

“**Pre-Delivery Period**” means the period beginning on the date of this Charter and ending on the Delivery Date;

“**Quiet Enjoyment Agreement**” means an agreement made by the Charterers with Mortgagee in a form acceptable to the Charterers in which the Mortgagee undertakes not to enforce its mortgage over the Vessel as long as no Termination Event has occurred which is continuing;

“**Total Loss**” means any of the following events:- (a) the Vessel shall become an actual, constructive, compromised or agreed total loss or (b) a Compulsory Acquisition or (c) the Vessel shall be seized by or forfeited to, any governmental authority.

“**Memorandum of Agreement**” means a Contract dated MMMM DDth, YYYY between the Charterers as seller and the Owners as buyer whereby the Charterers have agreed to sell the Vessel to the Owners, and the Owners have agreed to purchase the Vessel.

= End of Rider Clauses =

‘BARECON 2001’ STANDARD BAREBOAT CHARTER

PART 1

1. Shipbroker	BIMCO STANDARD BAREBOAT CHARTER CODE NAME : “BARECON 2001”	
ITOCHU CORPORATION TOKBR Section, 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo, 107-8077, Japan	2. Place and date	PART I
	In New York, U.S. XX XXXXX, 2021	
3. Owners / Place of business (Cl. 1)	4. Bareboat Charterers / Place of business (Cl. 1)	
Juno Marine Corp., Paseo Del Mar and Pacific Avenues Coasta del Este, MMG Tower, 23rd Floor, Panama City, Republic of Panama	Rumer Holding Ltd. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands	
5. Vessel’s name, call sign, flag and IMO number (Cl. 1 and 3)		
M/V NAVIOS ANTARES, 3EXD4, Panama, 9481257		
6. Type of Vessel	7. GT / NT	
Bulk Carrier	88,421 /56,329	
8. When / Where built	9. Total DWT (abt.) in metric tons on summer freeboard	
2010, Sungdong S.B. & Marine Eng’g Co., Ltd.	169,059 MT	
10. Classification Society (Cl. 3)	11. Date of last special survey by the Vessel’s classification society	
American Bureau of Shipping (ABS)	4th June, 2020	
12. Further particulars of Vessel (also indicate minimum number of months’ validity of class certificates agreed acc. to Cl. 3)		
Cargoes to be carried; All lawful cargoes within the Vessel’s capabilities/Class, IMO, flag, her insurance		
13. Port or Place of delivery (Cl.3)	14. Time for delivery (Cl.4)	15. Cancelling date (Cl.5)
As per Clause 5 of the MOA (as defined in Clause 1 hereof)	As per Clause 5 of the MOA See Also Clause 32.	N/A
16. Port or Place of redelivery (Cl. 3)	17. No. of months’ validity of trading and class certificates upon redelivery (Cl. 15)	
N/A	Minimum 3 months	
18. Running days’ notice if other than stated in Cl.4	19. Frequency of dry-docking Cl. 10(g)	
N/A	As per Classification Society and flag state requirements	
20. Trading Limits (Cl.6)		
Trading Limits: always safely afloat world-wide within International Navigation Conditions with the Charterer’s option to break same paying extra insurance, but always in accordance with Clause 13 and 40.		
Any other country designated pursuant to any international (including U.N. / U.S. / EU / UK) or supranational law or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter Period) to be excluded.		
21. Charter Period (Cl. 2)	22. Charter hire (Cl. 11)	
Firm Seven (7) years with up to 3 months more or less in Charterers’ option (See Clause 34)	See Clause 35	
23. New class and other statutory requirements (state percentage of Vessel’s insurance value acc. to Box 29 (Cl. 10(a)(ii))		
N/A		
24. Rate of interest payable acc. to Cl.11(f) and, if applicable, acc. to PART IV	25. Currency and method of payment (Cl.11)	
N/A	United States Dollars payable calendar monthly in advance	
26. Place of payment; also state beneficiary and bank account (Cl. 11)	27. Bank guarantee / bond (sum and place) (Cl. 24 (optional)	
To be advised	N/A	
28. Mortgage(s), if any (state whether Cl. 12(a) or (b) applies; if 12(b) applies, state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl.13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl.14 applies)	
See Clause 44	See Clause 40	

30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))

N/A

32. Latent defects (only to be filled in if period other than stated in Cl.3)

N/A

34. Grace period (state number of clear banking days) (Cl. 28)

See Clause 41

36. War cancellation (indicate countries agreed) (Cl. 26(f))

N/A

37. Newbuilding Vessel (indicate with 'yes' or 'no' whether PART III applies) (optional)

No

39. Vessel's Yard Building No. (only to be filled in if PART III applies)

No

41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1)

a) N/A

b) N/A

c) N/A

42. Hire/Purchase agreement (indicate with 'yes' or 'no' whether PART IV applies) (optional)

N/A

44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)

See Clause 37

46. Number of additional clauses covering special provisions, if agreed

Clause 32 to 56 inclusive

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)
Juno Marine Corp.

By:
Title: Attorney-in-fact

31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))

See Clause 40 (c)

33. Brokerage commission and to whom payable (Cl.27)

N/A

35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed, Place of Arbitration must be stated (Cl. 30)

London

38. Name and place of Builders (only to be filled in if PART III applies)

N/A

40. Date of ~~Building~~ Shipbuilding Contract (only to be filled in if PART III applies)

N/A

43. Bareboat Charter Registry (indicate with 'yes' or 'no' whether PART IV applies) (optional)

Yes in Charterers' option

45. Country of the Underlying Registry (only to be filled in if PART V applies)

Signature (Charterers)
Rumer Holding Ltd.

By:
Title: Attorney-in-fact

PART II
“BARECON 2001” Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

“The Owners” shall mean the party identified in Box 3;

“The Charterers” shall mean the party identified in Box 4;

“The Vessel” shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12;

“Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

“MOA” means the Memorandum of Agreement entered into between the Owners as buyers and the Charterers as Sellers dated XX XXXXX 2021 in respect of the Vessel.

“Banking Days” shall mean the days identified in Cl.36 (b)

“Total Loss” shall mean the situation identified in Cl.40 (a)

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (the “Charter Period”).

3. Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

~~(not applicable when PART III applies, as indicated in Box 37)~~

~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 ~~in such ready safe berth as the Charterers may direct.~~

~~(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.~~

~~(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners’ obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery See Clause 32

~~(not applicable when PART III applies, as indicated in Box 37)~~

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers’ consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days’ preliminary and not less than fourteen (14) running days’ definite notice of the date on which the Vessel is expected to be ready for delivery.~~

~~The Owners shall keep the Charterers closely advised of possible changes in the Vessel’s position.~~

5. Cancelling

~~hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners’ notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners’ prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery

~~(not applicable when PART III applies, as indicated in Box 37)~~

The Owners and Charterers **have the right of** ~~shall each~~ appointing surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of **delivery**. ~~redelivery hereunder.~~ The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro-rata thereof.

8. Inspection

The Owners shall have the right maximum twice per year (and more time in the case of necessity) ~~maximum twice per year~~ at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf: **provided it does not interfere with the operation of the Vessel and/or crew**

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners, ~~unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;~~

~~(b) in dry dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and~~

~~(not applicable when PART III applies, as indicated in Box 37)~~

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty six (36) running~~

PART II
“BARECON 2001” Standard Bareboat Charter

(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.

The Charterers shall also permit the Owners to inspect the Vessel's log books maximum twice per year (and more time in the case of Necessity) **maximum twice per year** whenever **reasonably** requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores SEE CLAUSE 52

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel. SEE ALSO CLAUSE 32

10. Maintenance and Operation

- (a) Maintenance and Repairs - During the Charter period the
- (i) Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall **exercise due diligence** to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, ~~except as provided for in Clause 14(i)~~, if applicable, at their own expense, they shall at all times keep the Vessel's Class **unexpired fully up to date** with the Classification Society indicated in Box 10 maintain all other necessary certificates in force at all times.
- (ii) New Class and Other Safety Requirements
~~In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter, shall in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30. SEE CLAUSE 38~~
- (iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, ~~even if for any reason appointed by the Owners.~~

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) The Charterers shall keep the Owners ~~and the mortgagee(s)~~ advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.

(d) Flag and Name of Vessel

~~During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and de-registration, if required by the Owners, shall be at the Charterers' expense and time. SEE CLAUSE 37 & 43~~

(e) Changes to the Vessel - ~~Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter. SEE CLAUSE 38~~

(f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in **substantially** the same ~~good order and~~ condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period **unless agreed otherwise by the Owners and the Charterers. if** ~~requested by the Owners.~~ Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not

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less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.

11. Hire SEE CLAUSE 35

(a) ~~The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.~~

(b) ~~The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.~~

(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.

(d) ~~Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days remaining before redelivery and advance payment to be effected accordingly.~~

(e) ~~Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.~~

(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) of the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent, shall apply.

(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.

12. Mortgage SEE CLAUSE 44

(only to apply if Box 28 has been appropriately filled in)

*) (a) ~~The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

*) (b) ~~The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

*) *(Optional, Clauses 12 (a) and 12 (b) are alternatives; indicate alternative agreed in Box 28).*

13. Insurance and Repairs SEE CLAUSE 40

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull

and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) **in underwriter's standard form as the Owners have received, reviewed and shall in writing approve, which approval shall not be unreasonably withheld.** ~~in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld.~~ Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. ~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

(b) ~~If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be **reasonably** required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

(d) ~~Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause. SEE CLAUSE 40~~

(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29. SEE CLAUSE 40

14. Insurance, Repairs and Classification N/A

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expenses against hull and machinery and war risks under the form of policy or

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policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a).

The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum

indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery ALSO SEE CLAUSE 46

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe berth or anchorage at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 5 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in substantially the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien ALSO SEE CLAUSE 47

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

“This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.”

17. Indemnity ALSO SEE CLAUSE 54

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

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(b) If the Vessel be arrested or otherwise detained by reason of a claims or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve. ~~Such Owners' prior consent shall not be required provided that the Vessel remains at all times under the management of Navios Shipmanagement Inc. or an affiliate of Navios Shipmanagement Inc.~~

~~(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter. SEE CLAUSE 48~~

23. Contracts of Carriage

*) (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

*) ~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

*) *Delete as applicable.*

24. Bank Guarantee

(Optional, only to apply if ~~Box 27~~ filled in)

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in ~~Box 27~~ as guarantee for full performance of their obligations under this Charter.

25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)/(b)

(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.

(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority, **which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title** (hereinafter referred to as 'Compulsory Acquisition'), then, ~~irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur,~~ this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition", **but not thereafter.**

26. War

(a) For the purpose of this Clause, the words 'War Risks' shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

~~(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous or is likely to be or to become dangerous, after the entry into it, the Owners shall have the right to require the Vessel to leave such area.~~

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls~~

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shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(e) The Charterers shall have the liberty:

- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions’
- (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
- (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

~~(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People’s Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.~~

27. Commission

The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year’s hire.

28. Termination

(a) Charterer’s Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

- (i) ~~the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners’ notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the~~

~~number of days stated in Box 34 of their receiving the Owners’ notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;~~

- (ii) ~~the Charterers fail to comply with the requirements of:~~

~~(1) Clause 6 (Trading Restrictions)~~

~~(2) Clause 13(a) (Insurance and Repairs)~~

~~provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners’ right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;~~

- (iii) ~~the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel’s insurance cover is not prejudiced. SEE CLAUSE 41 & 42~~

(b) Owners’ Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

~~This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. SEE CLAUSE 40 (d)/(e)~~

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, ~~or if it suspends payment~~, ceases to carry on business or makes any special arrangements or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall

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hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners’ representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers’ Master, officers and crew shall be the sole responsibility of the Charterers.

30. Dispute Resolution

* (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

* (b) ~~This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

* (c) ~~This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-

(i) ~~Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the “Mediation Notice”) (calling on the other party to agree to mediation.~~

(ii) ~~The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the “Tribunal”) or such person as the Tribunal may designate for that purpose.—The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~

(iii) ~~If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

(iv) ~~The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~

(v) ~~Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedures shall continue during the conduct of the mediation by the Tribunal may take the mediation timetable into account when settling the timetable for steps in the arbitration.~~

(vi) ~~Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator’s costs and expenses.~~

(vii) ~~The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.~~

(Note: the parties should be aware that the mediation process may not necessarily interrupt time limits.)

(e) ~~If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.~~

Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.

31. Notices SEE CLAUSE 50

(a) ~~Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.~~

(b) ~~The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III

PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 37)

1. **Specifications and Shipbuilding Contract**

(a) The Vessel shall be constructed in accordance with the Building Shipbuilding Contract (hereafter called “the ‘Shipbuilding Building Contract’”) as annexed to this Charter, made between the Builders and the Sellers Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.

(b) No change shall be made in the Shipbuilding Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid without the Charterers’ consent.

(c) The Charterers shall have the right to send their representative to the Builders’ Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel’s performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners’ liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. **Time and Place of Delivery—SEE CLAUSE 33**

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders’ Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract, the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of the Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders; **SEE CLAUSE 33**

(iv) if this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. **Guarantee Works—SEE CLAUSE 32**

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the Shipbuilding building Contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. **Name of Vessel—SEE CLAUSE 44**

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. **Survey on Redelivery—SEE CLAUSE 46**

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery.

Without prejudice to Clause 15 (PART II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

PART IV

HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

~~On expiration of this Charter and provided the Charterers have fulfilled their obligations according to PART I and II as well as PART III, if applicable, it is agreed that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.~~

~~In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.~~

~~The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.~~

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expense connected with the purchase and registration under Buyers' flag shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register shall be for Sellers' account.

~~In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalised, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.~~

~~The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc) as well as all plans which may be in Sellers' possession.~~

~~The wireless installation and nautical instruments, unless on hire, shall be included in the sale without any extra payment.~~

~~The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract, and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.~~

~~The Buyers undertake to pay for the repatriation of the Master, officers, and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (PART II) or to pay the equivalent cost of their journey to any other place.~~

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

~~“The Bareboat Charter Registry” shall mean the registry of the state whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.~~

~~“The Underlying Registry” shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.~~

2. Mortgage—See Clause 44

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (PART II) shall apply.

3. Termination of Charter by Default

~~If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.~~

~~In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.~~

to

the Bareboat Charter Party dated XX XXXXXX, 2021 (this "Charter") by
Juno Marine Corp., as owner (the "Owners") and
Rumer Holding Ltd. as charterer (the "Charterers")
in respect of MV "Navios Antares" (the "Vessel")

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel's condition at the time of delivery, and expressly agree that the Vessel's condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly "as is/where is", and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the "company" (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the "Company" to comply with the ISM code shall be for the Charterers' account.

34. CHARTER PERIOD

- (a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.
- (b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the “**Charter Period**”) shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of Seven (7) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the “**Delivery Date**”) with up to three (3) months more or less in the Charterers’ option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40.

35. CHARTER HIRE

(1) Monthly Hire

After delivery of the Vessel, the Charterers shall pay the hire monthly in advance as remuneration of letting of the Vessel for the charter period, which consist of (i) Monthly Fixed Hire and (ii) Variable Hire as follows.

I. Monthly Fixed Hire : USD7,565 / day

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Outstanding Balance (the table of Outstanding Balance shall be attached to this contract as appendix) x (2.0% + one (1) month ICE LIBOR as applicable for the month in respect of which such Monthly Variable Hire is to be calculated) x (the number of the days in the relevant month) / 360

Applicable One (1) month ICE Libor to be confirmed 3 Banking days prior to the end of every month falling immediately the due date for Charter Hire of the calendar month. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

Outstanding Balance means USD 19,000,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

Should the ICE LIBOR falls to negative interest rate, zero (0) is to be applied as ICE LIBOR.

ICE LIBOR means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed Applicable Date defined as follows on page LIBOR 01 or LIBOR 02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Parties shall, following consultation with their bankers, specify another page or service displaying the relevant rate

No address commission to the Charterers.

(2) Absolute Obligations and Meaning of Day

- (a) Except in case of the Owners' default hereunder which actually prevents the Charterers' quiet use of the Vessel for the purpose of this Charter, the Charterers' obligations to pay the Hires shall be absolute, and no-off hire shall be claimed by the Charterers for any reason whatsoever and the Charterers shall continuously and always be liable to pay the Hires unless and until:-
 - (i) the Total Loss Compensation Date in the case of the occurrence of a Total Loss
 - (ii) the redelivery of the Vessel to the Owners or to the Owners' nominee
- (b) The Date of delivery, the Total Loss Compensation Date and the date of redelivery shall be treated as an entire one day regardless of the time of delivery, the time occurrence of a Total Loss and the time of redelivery.
- (c) "Day" shall be construed as Japan time

36. PAYMENTS

- (a) Notwithstanding anything to the contrary contained in this Charter, all payments by the Charterers hereunder (whether by way of hire or otherwise) shall be made as follows:-
- (i) not later than 11:00 a.m. (New York time) on one Banking Day prior to the date on which the relevant payment is due under the terms of this Charter: and
 - (ii) in United States Dollars to THE CHUGOKU BANK, LTD. (or such other bank or banks as may from time to time be notified by the Owners to the Charterers by not less than fourteen (14) days' prior written notice) for the account of the Owners .
- (b) If any day for the making of any payment hereunder shall not be a Banking Day (being, for all purposes of this Charter, a day on which banks are open for transaction of business of the nature required by this Charter in Japan, Piraeus/Greece, London and New York) the due date for payment of the same shall be the immediately preceding Banking Day.
- (c) Subject to the terms of this Charter, the Charterers' obligation to pay hire in accordance with the requirements of Clause 35 and this Clause 36 and to pay certain amount of insurance benefit pursuant to Clause 40 (e) and to pay the Termination Compensation pursuant to Clause 42 shall be absolute irrespective of any contingency whatsoever, including (but not limited to) (i) any failure or delay on the part of any party hereto or thereto, whether with or without fault on its part, other than the Owners, in performing or complying with any of the terms or covenants hereunder, (ii) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against the Owners or the Charterers or any change in the constitution of the Owners or the Charterers or any other person, (iii) any invalidity or unenforceability or lack of due authorization of or other defect in this Charter, or (iv) any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter.

- (d) In the event of failure by the Charterers to pay on the due date for payment thereof under this Charter, or in the case of a sum payable on demand, within ten (10) Banking Days of the date of demand, any hire or other amount payable by them under this Charter, the Charterers shall pay to the Owners on demand interest on such hire or other amount from (and including) the date of such failure to (and including) the date of actual payment (both before and after any relevant judgment or winding up of the Charterers) at the rate to be the aggregate of (i) two & one-half per centum (2½ %) and (ii) the London Interbank Offered Rate for US Dollar deposits of not more than one month's duration (as selected by the Owners or their funders in the light of the likely duration of the default in question) (as such rate is from time to time quoted by leading banks in the London Interbank Market).

Interest payable by the Charterers as aforesaid shall be compounded at such intervals as the Owners shall determine and shall be payable on demand.

- (e) Any interest payable under this Charter shall accrue from day to day and shall be calculated on the actual number of days elapsed and a three hundred and sixty (360) day year.
- (f) In this Charter, unless the context otherwise requires, "month" means a period beginning in one calendar month (and, in the case of the first month, on the date of delivery hereunder) and ending in the succeeding calendar month on the day numerically corresponding to the day of the calendar month in which such period started provided that if there is no such numerically corresponding day, such period shall end on the last day in the relevant calendar month and "monthly" shall be construed accordingly.

37. FLAG AND CLASS

- (a) The Vessel shall upon the Delivery Date be registered in the name of the Owners under the Panamanian flag.
- (b) The Owners shall have no right either to transfer the flag of Vessel from Panama to any other registry or to require the Charterers to transfer the Vessel's classification society. The Charterers shall, at any time after the Delivery Date and at the Charterers' expense, have the right to transfer the Vessel's classification society from American Bureau of Shipping (ABS) to any other classification society at least equivalent to ABS.
- (c) Further, in the event that the Charterers need to change the flag of the Vessel, the Charterers can change the flag with the Owner's consent, which should not be unreasonably withheld, provided however that any expenses and time (including but not limited to legal charges for finance documents for the Mortgagee) shall be for the Charterers' account.

- (d) Subject to the Charterers' supplying the standard de-registration agreement reasonably satisfactory to the Mortgagee and with the prior written consent of the Owner which shall not be unreasonably withheld, the Charterers are entitled to establish the standard bareboat registration on the Vessel at the costs, expense and time of the Charterers.
- (e) If during the Charter Period there are any modifications, improvements, structural changes or new equipment made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations and/or new requirements (including but not limited to IMO) to which operation of the Vessel is required to conform, the cost, time and risk relating to such modifications shall be for the account of the Charterers.
- (f) All operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for Charterers account. However, the Owners' financing cost and cost for registration and discharge of their mortgage and other security documents in respect of the Vessel would be for Owners account, and Owners and Charterers shall equally bear initial registration cost to Vessel's flag under Owners' name. For the bareboat charter and the sale of the vessel, each party should bear its own costs.

38. IMPROVEMENT AND ADDITIONS

The Charterers shall have the right to fit additional equipment and to make severable improvements and additions at their expense and risk. Such additional equipment, improvements and additions shall be removed from the Vessel without causing any material damage to the Vessel (any such damage being made good by the Charterers at their time and expense) provided however that the Charterers shall redeliver the Vessel without removing such additional equipment, improvements and additions if the Owners consent to such non-removal before the redelivery.

The Charterers shall also have the right to make structural or non-severable improvements and additions to the Vessel at their own time, costs and expense and risk provided that such improvements and additions do not diminish the market value of the Vessel and are not likely to diminish the market value of the Vessel during or at the end of the Charter Period and do not in any way affect or prejudice the marketability or the useful life of the Vessel and are not likely to affect or prejudice the marketability or the useful life of the Vessel during or at the end of the Charter Period.

39. UNDERTAKING

The Charterers undertake and agree that throughout the Charter period they will:-

- (a) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any Termination Event (or event of which they are aware which, with the giving of notice and/or lapse of time or other applicable condition, would constitute a Termination Event);
- (b) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any accident to the Vessel involving repairs the cost of which will or is likely to exceed US Dollars Five Hundred Thousand (US\$500,000.00-) or the equivalent in any other currency;
- (c) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any occurrence in consequence whereof the Vessel has become or is likely to become a Total Loss (as defined in Clause 40 (e) hereof) or the Compulsory Acquisition (as defined in Clause 25 (b) hereof); or
- (d) use reasonable endeavors to and as soon as practicably possible notify the Owners in writing of any capture, seizure, arrest or detention of the Vessel or requisition for use or hire of the Vessel; or
- (e) supply to the Owners copies of the survey reports issued in respect of such periodical or other surveys as may be required for classification purposes upon requests; or
- (f) provide reasonable documents relating to cargo carried on board the Vessel upon requests in connection with sanction diligence only

40. INSURANCE, TOTAL LOSS AND COMPULSORY ACQUISITION

- (a) For the purposes of this Charter, the term "Total Loss" shall include actual or constructive or compromised or agreed or arranged total loss of the Vessel including any such total loss as may arise during a requisition for hire. "Compulsory Acquisition" shall have the meaning assigned thereto in Clause 25(b) hereof.

- (b) The Charterers undertake with the Owners that throughout the Charter Period:-
- (i) they will keep the Vessel insured in underwriter's standard form as the Owners shall in writing approve, which approval shall not be unreasonably withheld, with such insurers (including P&I and war risks associations) as shall be reasonably acceptable to the Owners with deductibles reasonably acceptable to the Owners (it being agreed and understood by the Charterers that there shall be no element of self- insurance or insurance through captive insurance companies without the prior written consent of the Owners);
 - (ii) they will be properly entered in and keep entry of the Vessel with P&I Club that is a member of the International Group of Protection and Indemnity Association for the full commercial value and tonnage of the Vessel and against all prudent P&I Risks in accordance with the rules of such association or club including, in case of oil pollution liability risks equal to the highest level of cover from time to time available under the basic entry with such P&I (but always a minimum of USD1,000,000,000.);
 - (iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-
 - (a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

- (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
- (ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

- (iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.
- (b) During any periods when the Vessel is not mortgaged and the after the reassignment of the insurances from the Assignee to the Owners:
 - (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
 - (ii) All other recoveries not exceeding United States Dollars one million (US\$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
 - (iii) All other recoveries exceeding United States Dollars one million (US\$1,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever;

and the Owners and Charterers agree to be bound by the above provisions.

- (iv) the Charterers shall procure that duplicates of all cover notes, policies, insurance slips and certificates of entry shall be furnished to the Owners for their custody upon each of the Delivery Date and renewal or change of the relevant insurances of the Vessel or upon reasonable demand by the Owners;
- (v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall
 - (A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.

- (B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and
- (vi) the Charterers shall procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners as soon as practicably possible prior written notification of any material amendment and seven (7) days with respect to suspension, cancellation or termination of the insurances in accordance with the underwriters' guidance and rules.
- (c) Notwithstanding anything to the contrary contained in Clauses 13 and any other provisions hereof, the Vessel shall be kept insured during the Charter Period in respect of marine and war risks on hull and machinery basis (The Charterers shall have the option, to take out on a full hull and machinery basis increased value or total loss cover in an amount not exceeding thirty per centum (30%) of the total amount insured from time to time) for not less than the amounts specified in column (b) in the table set out below in respect of the one-yearly period during the Charter Period specified in column (a) (on the assumption that the first such period commences on the Delivery Date) against such amount (hereinafter referred to as the "**Minimum Insured Value**"):

(a) Year	(b) Minimum Insured Value
1	US\$ 20,900,000.-
2	US\$ 18,072,000.-
3	US\$ 15,243,000.-
4	US\$ 12,415,000.-
5	US\$ 9,586,000.-
6	US\$ 6,760,000.-
7	US\$ 3,929,000.-

- (d) (i) If the Vessel shall become a Total Loss or be subject to Compulsory Acquisition the Chartering of the Vessel to the Charterers hereunder shall cease and the Charterers shall:-
- (A) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at and up to the date on which the Total Loss or Compulsory Acquisition occurred (the "Date of Loss") together with interest thereon at a rate reflecting the Owners' reasonable cost of funds at such intervals, which amount to be agreed between the Owners and the Charterers and shall cease to be under any liability to pay any hire, but not any other amounts, thereafter becoming due and payable under this Charter, Provided that all hire and any other amounts prepaid by the Charterers subsequent to the Date of Loss shall be forthwith refunded by the Owners:
 - (B) for the purposes of this sub-clause, the expression "relevant Minimum Insured Value" shall mean the Minimum Insured Value applying to the one-year period in which the Date of Loss occurs.
- (ii) For the purpose of ascertaining the Date of Loss:-
- (A) an actual total loss of the Vessel shall be deemed to have occurred at noon (London time) on the actual date the Vessel was lost but in the event of the date of the loss being unknown the actual total loss shall be deemed to have occurred at noon (London time) on the date on which it is acknowledged by the insurers to have occurred:
 - (B) a constructive, compromised, agreed, or arranged total loss of the Vessel shall be deemed to have occurred at noon (London time) on the date that notice claiming such a total loss of the Vessel is given to the insurers, or, if the insurers do not admit such a claim, at the date and time at which a total loss is subsequently admitted by the insurers or adjudged by a competent court of law or arbitration tribunal to have occurred. Either the Owners or, with the prior written consent of the Owners (such consent not to be unreasonably withheld), the Charterers shall be entitled to give notice claiming a constructive total loss but prior to the giving of such notice there shall be consultation between the Charterers and the Owners and the party proposing to give such notice shall be supplied with all such information as such party may request; and

(C) Compulsory Acquisition shall be deemed to have occurred at the time of occurrence of the relevant circumstances described in Clause 25 (b) hereof.

(e) All moneys payable under the insurance effected by the Charterers pursuant to Clauses 13 and 40, or other compensation, in respect of a Total Loss or pursuant to Compulsory Acquisition of the Vessel shall be received in full by the Owners (or the Mortgagees as assignees thereof) and applied by the Owners (or, as the case may be, the Mortgagees):-

FIRST, in payment of all the Owners' costs incidental to the collection thereof,

SECONDLY, in or towards payment to the Owners (to the extent that the Owners have not already received the same in full) of a sum equal to the aggregate of (i) unpaid but due hire and other moneys (if any) under this Charter and unpaid interest thereon up to and including the Date of Loss and (ii) the following termination sum or pro-rata de-escalation which shall be payable as at the Date of Loss, and

(a) Year		(b) Termination Sum
Delivery Date	:	USD 20,900,000.-
At end of 1st year	:	USD 18,072,000.-
At end of 2nd year	:	USD 15,243,000.-
At end of 3rd year	:	USD 13,200,000.-
At end of 4th year	:	USD 10,150,000.-
At end of 5th year	:	USD 7,400,000.-
At end of 6th year	:	USD 4,650,000.-
At end of 7th year	:	USD 1,900,000.-

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

(f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. TERMINATION EVENTS

- (a) Each of the following events shall be a "Termination Event" for purposes of this Charter:-
- (i) if any installment of hire or any other sum payable by the Charterers under this Charter (including any sum expressed to be payable by the Charterers on demand) shall not be paid at its due date under this Charter or within ten (10) Banking Days of the date of demand and such failure to pay is not remedied within ten (10) Banking Days of receipt by the Charterers of written notice from the Owners notifying the Charterers of such failure and requesting that payment is made; or
 - (ii) Save in circumstances where requisition for hire or compulsory requisition result in termination of insurances for the Vessel, if either (A) the Charterers shall fail at any time to effect or maintain any insurances required to be effected and maintained under this Charter, or any insurer shall avoid or cancel any such insurances (other than where the Charterer proved that the relevant avoidance or cancellation results from an event or circumstance outside the reasonable control of the Charterers and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such avoidance or cancellation) or the Charterers shall commit any breach of or make any misrepresentation in respect of any such insurances the result of which the relevant insurer avoids the policy or otherwise excuses or releases itself from all or any of its liability thereunder, or (B) any of the said insurances shall cease for any reason whatsoever to be in full force and effect (other than where the Charterer proved that the reason in question is outside the reasonable control of the Charterer and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such cease); or
 - (iii) if the Charterers shall at any time fail to observe or perform any of their material obligations under this Charter, other than those obligations referred to in sub-clause (i) or sub-clause (ii) of this Clause 41(a), and such failure to observe or perform any such obligation is either not remediable or is remediable but is not remedied within thirty (30) days of receipt by the Charterers of a written notice from the Owners requesting remedial action; or

- (iv) if any material representation or warranty by the Charterers in connection with this Charter or in any document or certificate furnished to the Owners by the Charterers in connection herewith or therewith shall prove to have been untrue, inaccurate or misleading in any material respect when made (and such occurrence continues unremedied for a period of thirty (30) days after receipt by the Charterers of written notice from the Owners requesting remedial action): or
- (v) if a petition shall be presented (and not withdrawn or stayed within sixty (60) days) or an order shall be made or an effective resolution shall be passed for the administration or winding-up of the Charterers (other than for the purpose of a reconstruction or amalgamation during and after which the Charterers remain solvent and the terms of which have been previously approved in writing by the Owners which approval shall not be unreasonably withheld) or if an encumbrancer shall take possession or an administrative or other receiver shall be appointed of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers shall be appointed (and, in any such case, such possession is not given up or such appointment is not withdrawn within sixty (60) days) or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation, or
- (vi) if the Charterers shall stop payments to all of its creditors or shall cease to carry on or suspend all or a substantial part of their business or shall be unable to pay their debts, or shall admit in writing their inability to pay their debts, as they become due or shall otherwise become or be adjudicated insolvent; or
- (vii) if the Charterers shall apply to any court or other tribunal for, a moratorium or suspension of payments with respect to all or a substantial part of their debts or liabilities, or
- (viii) (A) if the Vessel is arrested or detained (other than for reasons solely attributable to the Owners or to those for whom, for the purposes of this provision, the Owners shall be deemed responsible, including without limitation, any legal person who, at the date hereof or at any time in the future is affiliated with the Owners) and such arrest or detention is not lifted within thirty (30) days (or such longer period as the Owners may reasonably agree in writing in the light of all the circumstances) ; or

- (B) if a distress or execution shall be levied or enforced upon or sued out against all or any substantial part of the property or assets of the Charterers and shall not be discharged or stayed within thirty (30) days; or
 - (ix) if any consent, authorization, license or approval necessary for this Charter to be or remain the valid legally binding obligations of the Charterers, or to the Charterers to perform their obligations hereunder or thereunder, shall be materially adversely modified or is not granted or is revoked, suspended, withdrawn or terminated or expires and is not renewed (provided that the occurrence of such circumstances shall not give rise to a Termination Event if the same are remedied within thirty (30) days of the date of their occurrence); or
 - (x) if (a) any legal proceeding for the purpose of the reconstruction or rehabilitation of the Charterers is commenced and continuing in any jurisdiction and (b) the Owners receive a termination notice from the receiver, trustee or others of the Charterers which informs the termination/rejection of the Charter pursuant to the relevant laws, codes and regulations applicable to such proceeding.
- (b) Any Termination Event shall constitute a repudiatory breach of, or breach of condition by the Charterers under, this Charter or an agreed terminating event the occurrence of which will (in any such case) entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel under this Charter and recover the amounts provided for in Clause 42(c) either as liquidated damages or as an agreed sum payable on the occurrence of such event.

42. OWNERS' RIGHTS ON TERMINATION

- (a) At any time after a Termination Event shall have occurred and be continuing, the Owners may, by notice to the Charterers immediately, or on such date as the Owners shall specify, terminate the chartering by the Charterers of the Vessel under this Charter, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners. For the avoidance of doubt, in case of the termination of the Charter in accordance with 41 (a) (x) hereof, the Charter shall be deemed to be terminated upon receipt by the Owners of the termination notice set forth in Clause 41 (a) (x) hereof.

- (b) On or at any time after termination of the chartering by the Charterers of the Vessel pursuant to Clause 42(a) hereof the Owners shall be entitled to retake possession of the Vessel in accordance with Clause 29 hereof, the Charterers hereby agreeing that the Owners, for that purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located.
- (c) If the Owners pursuant to Clause 42(a) hereof give notice to terminate the chartering by the Charterers of the Vessel, the Charterers shall pay to the Owners on the date of termination (the "**Termination Date**"), the aggregate of (A) all hire due and payable, but unpaid, under this Charter to (and including) the Termination Date together with interest accrued thereon pursuant to Clause 36(d) hereof from the due date for payment thereof to the Termination Date, (B) any sums, other than hire, due and payable by the Charterers, but unpaid, under this Charter together with interest accrued thereon pursuant to Clause 36(d) to the Termination Date and (C) any actual direct financial loss suffered by the Owners which direct loss shall be determined as the shortfall, if any, between (a) the current market value of the Vessel, in the event that the Vessel is not sold within 3 months from the Termination Date, (average value as estimated by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S. (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Owners and Charterers may agree in writing from time to time) and (b) the Remaining Purchase Option Price (as defined in Clause 49.2 hereof) at any given time always taking into account any charterhire paid during the year to which the specified Remaining Purchase Option Price relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Remaining Purchase Option Price, then the Owners shall pay the amount of such excess to the Charterers forthwith. The aggregate of (A), (B) and (C) above shall hereinafter be referred to as the "**Termination Compensation**"). Nevertheless, if the Vessel is sold or transferred within 3 months after the Termination Date, Clause 42 (e) shall apply.

- (d) If the Charter is terminated in accordance with this Clause 42 the Charterers shall immediately redeliver the Vessel at a safe and ice-free port or place as indicated by the Owners. The Vessel shall be redelivered to the Owners in substantially the same condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.
- (e) Following the re-delivery of the Vessel by the Charterers after a termination of this Charter on the Termination Date, if the Owners subsequently intend to sell the Vessel, they shall notify the Charterers in writing of the potential sale and the potential sale price of the Vessel (the "Proposed Owners' Sale Price") whereupon the Charterers (or their nominee) may, within 5 days of such notification, elect to purchase the Vessel by paying an amount which is the higher of (I) the Proposed Owners' Sale Price and (II) the aggregate of clause 42 (c) (A) and (B) and the Remaining Purchase Option Price (as defined in Clause 48.2). If the Charterers notify the Owners that they do not intend to purchase the Vessel or the Charterers do not respond to the Owners within such days' period (or such longer period as the Owners may in their absolute discretion determine), the Owners may sell the Vessel on such terms as the Owners may deem fit but for avoidance of any doubt, in the event that the selling price of the Vessel exceeds the aggregate of Clause 42 (c) (A), (B), the remaining Purchase Option Price and all costs and expenses (including but not limited to brokerage fees and attorney's fees) reasonably incurred by the Owners for negotiation, preparation, execution and performance of such sale, then any amount in excess of this should be paid to the Charterers.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour or the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 49 hereof.

The Owners have the right to register a first preferred mortgage on the Vessel in favour of the Mortgagee (THE CHUGOKU BANK, LTD.) securing a loan under the Loan Agreement under standard mortgages and security documentation. In which case, the Owners undertake to procure from the Mortgagee a Letter/Agreement of Quiet Enjoyment in a form and substance reasonably acceptable to the Charterers.

The Charterers agree to sign an acknowledgement of the Owners' charterhire assignment or any other comparable document reasonably required by the Mortgagee, in favour of the Mortgagee. During the course of the Charter the Owners have the right to register a substitute mortgage in favour of another bank provided such registration is effected in a similar amount to the loan amount outstanding with the Mortgagee at that time and only if such substitute mortgagee executes a Letter/Agreement of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form reasonably acceptable for the Charterers. The Charterers will then agree to sign a charterhire assignment in favour of the substitute mortgage in a form as shall be agreed by the Charterers, which agreement not be unreasonably withheld. Any cost incurred by the Charterers shall be for Owners' account.

Subject to the term and conditions of this Charter, the Charterers also agree that the Owners have the right to assign its rights, title and interest in and to the insurances by way of assignment of insurance in respect of the Vessel to and in favour of the Assignee in a form and substance reasonably acceptable to Charterers and the Assignee.

Owners shall procure that exercise and/or enforce of any mortgage and charterhire assignment which might interfere with or prejudice or adversely affect the Charterer's use of the Vessel or other right of the Charterer under this Charter (including the purchase option of the Vessel) shall be subject to the terms and conditions of the Letter/Agreement of Quiet Enjoyment.

In the event that the Owners execute security of any nature (including but not limited to any mortgage, assignment of insurances) over the Vessel then the Owners hereby undertake and agree as a condition of this Charter to procure that the beneficiary of such security executes in favour of the Charterers a letter/agreement of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and exercise and/or enforce of the beneficiary's rights thereunder is subject to the agreement of a letter/agreement of Quiet Enjoyment before or after delivery of the Vessel.

45. REDELIVERY INSPECTION

Prior to redelivery under Clause 42 hereof and without interference to the operation of the Vessel, the Owners, at their risk and expense, shall have the right provided that such right is declared at least 20 days prior to the expected redelivery date to carry out an underwater inspection of the Vessel by Class approved diver and in the presence of Class surveyor and Owners' and Charterers' representatives. Should any damages in the Vessel's underwater parts be found that will impose a condition or recommendation of Vessel's class then:

- a) In case Class imposes a condition or recommendation of class that does not require drydocking before next scheduled drydocking. Charterers shall pay to Owners the estimated cost to repair such damage in way which is acceptable to Class, which to be direct cost to repair such damage only, as per average quotation for the repair work obtained from two reputable independent shipyards at or in the vicinity of the redelivery port, one to be obtained by Owners and one by Charterers within 2 banking days from the date of imposition of the condition/recommendation unless the parties agree otherwise.

- b) In case Class require Vessel to be drydocked before the next scheduled drydocking the Charterers shall drydock the Vessel at their expense prior to redelivery of the Vessel to the Owners and repair same to Class satisfaction.

In such event the Vessel shall be redelivered at the port of the dockyard.

46. MORTGAGE NOTICE

The Charterers and place and keep prominently displayed in the chart room, master's cabin, and engine room of the Vessel a framed printed notice in plain type reading as follows:

“NOTICE OF SHIP MORTGAGE”

“This Vessel is covered by a First Preferred Ship Mortgage given to THE CHUGOKU BANK, LTD., a banking corporation duly organized and existing under the laws of Japan, having its head office at 15-20 Marunouchi 1-chome, Kita-ku, Okayama City, Okayama-Pref., Japan, acting through its Onomichi Office at 2-9, Higashigoshi-cho, Onomichi, Hiroshima-Pref., Japan, its successors and assigns under the authority of the laws of the Republic of Panama. Under the terms of said Mortgage, neither the owner of this Vessel, any charterer, the Master of this Vessel, nor any other person has any right, power or authority to create, incur or permit to be imposed upon the Vessel any liens, maritime or otherwise, other than the lien of said Mortgage and liens for crew's wages or salvage.”;

47. SALE OF VESSEL BY OWNERS

1. The Owners have the right to sell the Vessel to a reputable third party (“**Purchaser**”) at any time during the Charter Period with the prior written consent of the Charterers and provided that (i) the Purchaser agrees to take over the benefit and burden of this Charter, (ii) such ownership change does not result in any reflagging of the Vessel, (iii) such ownership change does not result in the Charterers being obliged to increase any payment under this Charter, (iv) such ownership change does not increase the actual or contingent obligations of the Charterers under this Charter, and (v) the Charterers shall not be liable for the costs and expenses (including legal fees) incurred in the sale of the Vessel by the Owners under this Clause 47.

2. The Owners shall give the Charterers at least one month's prior written notice of any sale.
3. Subject to 47.1, the Charterers and Owners undertake with each other to execute one or more novation agreements (or other documents required under applicable law) to novate the rights and obligations of the Owners under this Charter to the Purchaser such novation agreement(s) or other documents to be in such form and substance acceptable to the Charterers and such novation will be effective upon delivery of the Vessel from the Owners to the Purchaser."

48. CHARTERERS' OPTION TO PURCHASE VESSEL

1. Charterers to have purchase option to purchase the Vessel at the end of 3rd year anniversary date of the Delivery Date at USD13,200,000 net (the "**First Purchase Option Price**") subject to Charterers declaration 3 months before such date.
2. Charterers further have an option to purchase, such purchase being declared at any time through the remaining period at the following price or pro-rata de-escalation until the maturity of the Charter Period (the "**Subsequent Purchase Option Price**"), provided that in any event Subsequent Purchase Option Price shall not be less than USD 1,900,000.- irrespective of the actual purchase date of the Vessel.

At end of 3rd year	:	USD 13,200,000.-
At end of 4th year	:	USD 10,150,000.-
At end of 5th year	:	USD 7,400,000.-
At end of 6th year	:	USD 4,650,000.-
At end of 7th year	:	USD 1,900,000.-

(The purchase option price of the Vessel to be calculated in accordance with Clause 48.1 and 48.2 hereof, whether the Final Purchase Option Price or the First Option Price or the Subsequent Purchase Option Price, hereinafter called the "**Remaining Purchase Option Price**").

3. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 48.4) the Parties shall execute a Protocol of Redelivery and Acceptance under this Charter (the “**Redelivery Protocol**”) and save in respect of any claims accrued under this Charter prior to the date and time of the Redelivery Protocol, this Charter shall terminate forthwith.
4. Upon the date of any written notification by the Charterers to the Owners of their intention to purchase the Vessel, the Owners and the Charterers shall be deemed to have unconditionally entered into a contract to sell and purchase the Vessel for the Remaining Purchase Option Price on and in strict conformity with the terms and conditions contained in the Memorandum of Agreement attached to this Charter as Exhibit A (the “**PO MOA**”).

49. MISCELLANEOUS

- (a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.
- (b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.
- (c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.
- (d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.

- (e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

50. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

- (i) in the case of the Owners c/o Shoei Marine Co., Ltd.
Address : 24-11, Nigatasanbashidori,
Kure-City, Hiroshima 737-0154, Japan
Telephone : +81-90-4149-1591
E-mail : masaki_watanabe@shoeimarine.com
- (ii) in the case of the Charterers c/o Navios Shipmanagement Inc.
Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com
- (iii) in the case of the Brokers c/o ITOCHU Corporation
Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2939
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

51. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 without consent of the Owners provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

52. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery under this Charter and again on redelivery of the Vessel under Clause 42 hereof.

The Owners shall at the time of redelivery under Clause 42 hereof take over and pay for all remaining bunkers, unused lubricating oil (for avoidance of any doubts, the lubricant oil in the machinery is included), unbroached provisions, paints, ropes and other unused consumable stores (excluding spare parts) in the said Vessel at the Charterers' purchased prices with supporting vouchers, provided that this payment shall be off-set against the Owner's claim under Clause 42 to the extent the sum equivalent to such payment. However, the Charterers shall not pay to the Owners at time of delivery for any bunkers, lubricating oil, provisions, paints, ropes and consumable stores which the Charterers have supplied to the Vessel at the Charterers' expense prior to delivery. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

53. INDEMNITY FOR POLLUTION RISKS

Charterers shall indemnify the Owners against the following Pollution Risks:-

- (a) liability for damages or compensation payable to any person arising from pollution;
- (b) the costs of any measures reasonably taken for the purpose of preventing, minimizing or cleaning up any pollution together with any liability for losses or damages arising from any measures so taken;
- (c) liability which the Owners and/or the Charterers may incur, together with costs and expenses incidental thereto, as the result of escape or discharge or threatened escape discharge of oil or any other substance;
- (d) the costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority for the purpose of preventing or reducing pollution or the risk of pollution; provided always that such costs or liabilities are not recoverable under the Hull and Machinery Insurance Policies on the Vessel;
- (e) liability which the Owners and/or the Charterers may incur to salvors under the exception to the principal of “no cure-no pay” in Article 1 (b) of Lloyds Standard Form of Salvage Agreement (LOF 1990); and
- (f) liability which the Charterers may incur for the payment of fines in respect of pollution in so far as such liability may be covered under the rules of the P&I Club.

54. TRADE AND COMPLIANCE CLAUSE

- (a) The Charterers and the Owners hereby agree that no person/s or entity/ies under this Charter will be individual(s) or entity(ies) designated under any applicable national or international law imposing trade and economic sanctions, including sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleet under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Japan or United States of America (collectively, the “Sanctions”).

- (b) Further, the Charterers and the Owners agree that the performance of this Charter will not require any action prohibited by sanctions or restrictions under any applicable Sanctions.
- (c) Further to the above, Charterers shall take reasonable steps to confirm that at the date of this Charter Party and throughout the duration thereof, any sub-charterer of the Vessel (who is directly contracting with the Charterer in respect of the Vessel at any relevant time), the managers of the Vessel and the Vessel are not a sanctioned party/vessel under the Sanctions.

55. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contactors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

56. MANAGEMENT COMPANY

The management company shall be Navios Shipmanagement Inc. or any other management company affiliated to Angeliki Frangou . The Charterers may change the management company with the Owners' prior consent not to be unreasonably withheld, unless such change is to an affiliate of Navios Shipmanagement Inc. or of Angeliki Frangou in which case Owners' consent will not be required.

(end)